

THE  
COMMERCIAL CLUB  
OF CHICAGO

YEAR BOOK  
1916-1917







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# The Commercial Club of Chicago

THE COMMERCIAL CLUB, ORGANIZED 1877  
THE MERCHANTS CLUB, ORGANIZED 1896  
UNITED 1907

Year-Book  
1916-17

PUBLISHED BY  
THE EXECUTIVE COMMITTEE  
1917

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Articles of Association  
of  
The Commercial Club of Chicago

THE COMMERCIAL CLUB, ORGANIZED 1877

THE MERCHANTS CLUB, ORGANIZED 1896

UNITED 1907







# THE COMMERCIAL CLUB OF CHICAGO

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## ARTICLES OF ASSOCIATION

THE COMMERCIAL CLUB, organized December 27, 1877, and THE MERCHANTS CLUB OF CHICAGO, organized December 11, 1896, more efficiently to advance the public welfare and the commercial interests of Chicago by co-operative effort, social intercourse, and a free interchange of views, were united February 11, 1907, under the name of THE COMMERCIAL CLUB OF CHICAGO.

Its Articles of Association are as follows:

### ARTICLE I.

#### MEMBERS.

1. The membership shall be of four classes: Active, Associate, Non-resident, and Retired.

2. Active Members are responsible for the varied undertakings of the Club and will accept, within reasonable limitations, the assignment of work by the Executive Committee to advance the Club's interests. They shall be not more than fifty-five years old at the time of their election; and their number shall not exceed ninety men, except that, during the Club years 1910, 1911, and 1912, new members may be elected equal in number to one-half of the vacancies occurring during such Club years; the Club year being from the installation of officers at the annual meeting to the installation of their successors.

3. An Associate Member shall have the same rights and duties as an Active Member, except that he shall not be obliged to serve as an officer or required to do active work



for the Club save under special 'circumstances, and that he shall not be fined for absence from Club meetings. Active members elected after April 13, 1912, shall, upon reaching the age of sixty-five years, automatically become Associate Members, but any Active Member, after ten years' membership, may, at his written request and by the unanimous vote of the Executive Committee, become an Associate Member.

4. Any Active or Associate Member who has permanently removed from Chicago may, upon application to the Executive Committee, and with its approval, become a Non-resident Member.

5. Non-resident and Retired Members shall have the privilege of attending all meetings of the Club, but shall not be entitled to vote.

6. The present Retired Membership shall not be increased except by transfer, upon their request, of charter members of The Commercial Club.

7. *Election of Active Members.* The Secretary shall notify the members whenever a vacancy in the Active Membership occurs. Thereupon, any member may, by a written recommendation to the Executive Committee, nominate a person for membership. If the Executive Committee unanimously approve such a nomination, the Secretary shall so state, in a notice sent out at least two weeks previous to the meeting at which such candidate will be voted upon, and a ballot bearing the candidate's name, with the words "Accepted" and "Postponed" printed thereafter, shall be sent with such notice. The members should promptly communicate, to some member of the Executive Committee, such knowledge as they have touching the fitness or unfitness of the nominee. This information shall be held in the strictest confidence. At the next meeting of the Club, if the Executive Committee still unanimously approve the nominee, secret vote shall be had



## ARTICLES OF ASSOCIATION

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by marking the printed ballot. Three ballots, marked "Postponed," shall defer the admission of such nominee. Only one candidate at a time shall be approved by the Executive Committee or submitted for election.

8. In the approval of candidates regard shall be had, so far as practicable, to the branches of business in which they are engaged, so that the various commercial interests of the City shall be fairly represented in the membership.

9. Each Active and Associate Member shall pay, by November 1st, annual dues of seventy-five dollars, which shall cover the cost of dinner at regular meetings. Non-resident and Retired Members shall not be required to pay dues, but only an assessment for each dinner which they attend or which they notify the Secretary that they will attend.

The Executive Committee may drop from the roll any member who, after due notification of dues, fails to pay them within thirty days.

## ARTICLE II.

### OFFICERS AND COMMITTEES.

1. The Officers shall be a President, a Vice-President, a Secretary, and a Treasurer. An Executive Committee of ten members shall have general control of the affairs of the club. It shall consist of the four officers, the Secretary of the preceding year if a new Secretary is elected, the Chairman of the Reception Committee, and four other members, or five other members if the Secretary of the preceding year is re-elected.

2. At the April meeting the officers and the Reception Committee shall be elected to serve for one year, and two of the four elective members of the Executive Committee shall be elected to serve for two years, and until their respective successors are elected and qualify. If the Secretary of the



preceding year is re-elected, a fifth elective member of the Executive Committee shall be elected to serve for one year.

3. The President—or, in his absence, the Vice-President—shall preside at all meetings of the Club and of the Executive Committee.

4. The Secretary shall make and preserve complete records of all meetings of the Club and of the Executive Committee, keep all its books and papers, and perform such other duties as may be required by the Club or by the Executive Committee. He shall also prepare the Year-Book, in which shall be printed the list of officers, committees and meetings since April, 1907. In all Club publications the names of The Commercial Club and The Merchants Club should appear, with the dates of their organizations and the date of their union.

5. The Treasurer shall receive and keep the funds of the Club, and shall disburse the same, subject to the supervision of the Executive Committee, and shall keep an accurate record thereof. He shall make a full financial report at the annual April meeting. His books shall be open at all times to the inspection of the Executive Committee and of an Examiner, whom the Executive Committee should appoint before the April meeting, to audit the same.

6. The Executive Committee shall have power, by the unanimous vote of the entire Committee, to discipline or expel any Club member whenever in its judgment such action is advisable.

7. A Reception Committee, consisting of a Chairman (who shall be *ex officio* a member of the Executive Committee) and four members, shall be elected annually at the April meeting. Its duties shall be to assist in the entertainment of the Club's guests and its new members, and to act in a general way as the hosts of the Club, subject to the direction of the Executive Committee.



## ARTICLES OF ASSOCIATION

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8. The President, with the advice and approval of the Executive Committee, shall select a Nominating Committee of five members and announce their names at the regular March meeting. Such committee shall recommend a list of candidates for the various offices and elective committees, and file the same with the Secretary at least twenty days before the April meeting. The Secretary shall mail such list to each member at least two weeks before the April meeting for the annual election.

### ARTICLE III.

#### MEETINGS.

1. The Club shall hold regular monthly meetings on the second Saturday in each month, beginning in November and ending in April. The Executive Committee shall select place of each meeting, and may, in its discretion, change the date of any meeting or omit any meeting, or call special meetings at any time.

2. The Secretary shall mail to each member notice of each meeting at least five days before its date. The notice shall state specifically if any nominee for membership is to be voted upon at such meeting and any other business that is to be transacted. At any regular or special meeting at which thirty Active Members are present any business of the Club may be transacted.

3. The regular meetings of the Club shall take precedence of all social engagements. Written notice of inability to attend a regular meeting, with the reason therefor, shall be sent to the Secretary so as to reach him by the morning of the day of such regular meeting. Any member failing to give such notice, or whose reason for non-attendance is unsatisfactory to the Executive Committee, shall be fined ten dollars. Any Active Member absenting himself from three consecutive regular meet-



ings of the Club without sending to the Secretary an explanation satisfactory to the Executive Committee shall be considered as having withdrawn from membership, and his name shall be stricken from the rolls by the Executive Committee.

#### ARTICLE IV.

##### GUESTS.

With the permission of the Executive Committee, expressed in the notice of the meeting, any member may invite the number of guests specified in the notice; but no person shall be a guest of the same member at more than two dinners during the Club year.

#### ARTICLE V.

##### AMENDMENTS.

These articles may be altered or amended at any meeting by a majority vote of the Active and Associate Members present, provided that notice of each proposed amendment was given at a prior meeting and was stated in the notice of the meeting at which the amendment is to be voted upon.



Officers and Committees  
of  
The Commercial Club of Chicago

THE COMMERCIAL CLUB, ORGANIZED 1877

THE MERCHANTS CLUB, ORGANIZED 1896

UNITED 1907







# OFFICERS AND COMMITTEES OF THE COMMERCIAL CLUB OF CHICAGO

1917-1918

|                                 |                    |
|---------------------------------|--------------------|
| <i>President</i> . . . . .      | Harrison B. Riley  |
| <i>Vice-President</i> . . . . . | Louis A. Ferguson  |
| <i>Secretary</i> . . . . .      | Alfred Cowles      |
| <i>Treasurer</i> . . . . .      | Homer A. Stillwell |

## EXECUTIVE COMMITTEE

Harrison B. Riley  
Louis A. Ferguson  
Alfred Cowles  
Homer A. Stillwell

|                    |                      |
|--------------------|----------------------|
| Charles H. Markham | Julius Rosenwald     |
| Donald R. McLennan | Albert B. Dick       |
| Edgar A. Bancroft  | Albert A. Sprague II |

## RECEPTION COMMITTEE

|                                |                  |
|--------------------------------|------------------|
| Albert A. Sprague II, Chairman |                  |
| Clarence S. Pellet             | James Simpson    |
| John T. Pirie                  | Solomon A. Smith |

## EDUCATIONAL COMMITTEE

|                        |                      |
|------------------------|----------------------|
| Clayton Mark, Chairman |                      |
| Frank H. Armstrong     | Charles H. Markham   |
| Alfred L. Baker        | Theodore W. Robinson |
| Edgar A. Bancroft      | Homer A. Stillwell   |
| Benjamin Carpenter     | Harry A. Wheeler     |
| Edward F. Carry        | Harrison B. Riley    |
|                        | <i>ex officio</i>    |



# THE COMMERCIAL CLUB OF CHICAGO

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## COMMITTEE ON PLAN OF CHICAGO

Edward B. Butler, Chairman  
John V. Farwell, Vice-Chairman  
Charles H. Thorne, Secretary

|                                      |                       |
|--------------------------------------|-----------------------|
| Clyde M. Carr                        | Charles L. Hutchinson |
| Henry H. Porter                      | Joy Morton            |
| James Simpson                        | Walter H. Wilson      |
| Harrison B. Riley, <i>ex officio</i> |                       |

## COMMITTEE ON REVISION OF ILLINOIS TAXATION LAWS

Bernard A. Eckhart, Chairman  
Albert A. Sprague II, Secretary

|                                      |                   |
|--------------------------------------|-------------------|
| Victor F. Lawson                     | Frederic W. Upham |
| Cyrus H. McCormick                   | Walter H. Wilson  |
| Donald R. McLennan                   | Robert P. Lamont  |
| Harrison B. Riley, <i>ex officio</i> |                   |

## COMMITTEE ON PUBLIC AQUARIUM

Augustus A. Carpenter, Chairman

|               |                |
|---------------|----------------|
| James Simpson | Ezra J. Warner |
|---------------|----------------|

## COMMITTEE ON REVISED FORM OF MUNICIPAL GOVERNMENT FOR CHICAGO

Thomas E. Donnelley, Chairman

|               |                 |
|---------------|-----------------|
| Howard Elting | Walter B. Smith |
|---------------|-----------------|

## COMMITTEE ON THE WAR

Eugene J. Buffington, Chairman

## SUB-COMMITTEE ON MILITARY AFFAIRS

Eugene J. Buffington  
Henry H. Porter  
Frank O. Wetmore



## OFFICERS AND COMMITTEES

---

### SUB-COMMITTEE OF NAVAL AND MERCHANT MARINE

James O. Heyworth  
Charles H. Thorne  
Ezra J. Warner

### SUB-COMMITTEE ON FINANCE AND ECONOMICS

Bernard A. Eckhart  
John G. Shedd  
Rollin A. Keyes



# THE COMMERCIAL CLUB OF CHICAGO

---

1916-1917

|                                 |                     |
|---------------------------------|---------------------|
| <i>President</i> . . . . .      | James B. Forgan     |
| <i>Vice-President</i> . . . . . | Thomas E. Donnelley |
| <i>Secretary</i> . . . . .      | Alfred Cowles       |
| <i>Treasurer</i> . . . . .      | Joseph E. Otis      |

## EXECUTIVE COMMITTEE

James B. Forgan  
Thomas E. Donnelley  
Alfred Cowles  
Joseph E. Otis

|                  |                                  |
|------------------|----------------------------------|
| Julius Rosenwald | Eugene J. Buffington             |
| Albert B. Dick   | William A. Gardner— <sup>1</sup> |
| Harry A. Wheeler | Louis A. Seeberger               |

## RECEPTION COMMITTEE

Harry A. Wheeler, Chairman

|                    |                |
|--------------------|----------------|
| H. M. Byllesby     | Howard Elting  |
| George M. Reynolds | Louis F. Swift |

## EDUCATIONAL COMMITTEE

Clayton Mark, Chairman

|                    |                      |
|--------------------|----------------------|
| Frank H. Armstrong | Charles H. Markham   |
| Alfred L. Baker    | Theodore W. Robinson |
| Edgar A. Bancroft  | Homer A. Stillwell   |
| Benjamin Carpenter | Harry A. Wheeler     |
| Edward F. Carry    | James B. Forgan      |
|                    | ex officio           |

## COMMITTEE ON PLAN OF CHICAGO

Edward B. Butler, Chairman  
John V. Farwell, Vice-Chairman  
Charles H. Thorne, Secretary

|                 |                       |
|-----------------|-----------------------|
| Cylde M. Carr   | Charles L. Hutchinson |
| Henry H. Porter | Joy Morton            |
| James Simpson   | Walter H. Wilson      |

James B. Forgan, ex officio

<sup>1</sup> Deceased May 11, 1916.



## OFFICERS AND COMMITTEES

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### COMMITTEE ON REVISION OF ILLINOIS TAXATION LAWS

Adolphus C. Bartlett, Chairman

Bernard A. Eckhart, Vice-chairman

Albert A. Sprague II, Secretary

Victor F. Lawson

Frederic W. Upham

Cyrus H. McCormick

Walter H. Wilson

Harrison B. Riley

James B. Forgan

ex officio

### COMMITTEE ON STATE BUDGET AND EFFICIENCY

Howard Elting, Chairman

David R. Forgan

Richard C. Hall

Harry A. Wheeler

John G. Shedd

Homer A. Stillwell

Berhard A. Eckhart

### COMMITTEE ON PUBLIC AQUARIUM

Augustus A. Carpenter, Chairman

James Simpson

Ezra J. Warner

### COMMITTEE ON NATIONAL DEFENSE

Harrison B. Riley, Chairman

Samuel Insull

Henry H. Porter

Eugene J. Buffington

John T. Pirie



# THE COMMERCIAL CLUB OF CHICAGO

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1915-16

|                       |                    |
|-----------------------|--------------------|
| <i>President</i>      | John W. Scott      |
| <i>Vice-President</i> | Victor F. Lawson   |
| <i>Secretary</i>      | Louis A. Seeberger |
| <i>Treasurer</i>      | Edmund D. Hulbert  |

## EXECUTIVE COMMITTEE

John W. Scott  
Victor F. Lawson  
Louis A. Seeberger  
Edmund D. Hulbert

|                      |                     |
|----------------------|---------------------|
| Ernest A. Hamill     | Frank H. Armstrong  |
| Eugene J. Buffington | Alexander H. Revell |
| William A. Gardner   | Thomas E. Donnelley |

## RECEPTION COMMITTEE

|                              |                  |
|------------------------------|------------------|
| Frank H. Armstrong, Chairman |                  |
| Henry B. Favill              | Edward F. Swift  |
| Charles H. Markham           | Harry A. Wheeler |

## EDUCATIONAL COMMITTEE

|                              |                      |
|------------------------------|----------------------|
| Clayton Mark, Chairman       |                      |
| Frank H. Armstrong           | William A. Gardner   |
| Alfred L. Baker              | Charles H. Markham   |
| Edgar A. Bancroft            | Allen B. Pond        |
| Benjamin Carpenter           | Theodore W. Robinson |
| Edward F. Carry              | Homer A. Stillwell   |
| Henry B. Favill <sup>1</sup> | Harry A. Wheeler     |

## COMMITTEE ON PLAN OF CHICAGO

|                                |                       |
|--------------------------------|-----------------------|
| Edward B. Butler, Chairman     |                       |
| John V. Farwell, Vice-Chairman |                       |
| Charles H. Thorne, Secretary   |                       |
| Clyde M. Carr                  | Charles L. Hutchinson |
| H. H. Porter                   | Joy Morton            |
| James Simpson                  | Walter H. Wilson      |

<sup>1</sup>Deceased Feb. 20, 1916.



## OFFICERS AND COMMITTEES

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### COMMITTEE ON REVISION OF ILLINOIS TAXATION LAWS

Adolphus C. Bartlett, Chairman

Bernard A. Eckhart, Vice-Chairman

Albert A. Sprague II, Secretary

Victor F. Lawson

Frederic W. Upham

Cyrus H. McCormick

Walter H. Wilson

Harrison B. Riley

### 1914-15

|                       |           |                    |
|-----------------------|-----------|--------------------|
| <i>President</i>      | . . . . . | Bernard E. Sunny   |
| <i>Vice-President</i> | . . . . . | William L. Brown   |
| <i>Secretary</i>      | . . . . . | Louis A. Seeberger |
| <i>Treasurer</i>      | . . . . . | Arthur Meeker      |

### EXECUTIVE COMMITTEE

Bernard E. Sunny

William L. Brown

Louis A. Seeberger

Arthur Meeker

Thomas E. Donnelley

John W. Scott

Joy Morton

Walter B. Smith

Alexander H. Revell

John E. Wilder

### RECEPTION COMMITTEE

John E. Wilder, Chairman

Louis A. Ferguson

Harrison B. Riley

Edwin A. Potter

Frederic W. Upham

### EDUCATIONAL COMMITTEE

Clayton Mark, Chairman

Frank H. Armstrong

William A. Gardner

Alfred L. Baker

Charles H. Markham

Edgar A. Bancroft

Allen B. Pond

Benjamin Carpenter

Theodore W. Robinson

Edward F. Carry

Homer A. Stillwell

Henry B. Favill

Harry A. Wheeler



# THE COMMERCIAL CLUB OF CHICAGO

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## COMMITTEE ON A FEDERAL IMMIGRATION STATION IN CHICAGO<sup>1</sup>

John E. Wilder, Chairman

Albert B. Dick

Alexander A. McCormick

Bernard A. Eckhart

Allen B. Pond

## COMMITTEE ON PLAN OF CHICAGO

Edward B. Butler, Chairman

John W. Scott, Vice-Chairman

Charles H. Thorne, Secretary

Clyde M. Carr

Charles L. Hutchinson

Frederic A. Delano

Joy Morton

John V. Farwell

Walter H. Wilson

## COMMITTEE ON REVISION OF ILLINOIS TAXATION LAWS

Adolphus C. Bartlett, Chairman

Bernard A. Eckhart, Vice-Chairman

Albert A. Sprague II, Secretary

Victor F. Lawson

Frederic W. Upham

Cyrus H. McCormick

Walter H. Wilson

Harrison B. Riley

<sup>1</sup> Discharged May 13, 1915.



## OFFICERS AND COMMITTEES

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1913-14

|                                 |                      |
|---------------------------------|----------------------|
| <i>President</i> . . . . .      | Benjamin Carpenter   |
| <i>Vice-President</i> . . . . . | Charles H. Thorne    |
| <i>Secretary</i> . . . . .      | Walter B. Smith      |
| <i>Treasurer</i> . . . . .      | Albert A. Sprague II |

### EXECUTIVE COMMITTEE

Benjamin Carpenter  
Charles H. Thorne  
Walter B. Smith  
Albert A. Sprague II

|                                   |                      |
|-----------------------------------|----------------------|
| William L. Brown                  | Theodore W. Robinson |
| Hugh J. McBirney                  | John W. Scott        |
| Joy Morton                        | Charles L. Strobel   |
| Eugene J. Buffington <sup>1</sup> |                      |

### RECEPTION COMMITTEE

|                            |                |
|----------------------------|----------------|
| Hugh J. McBirney, Chairman |                |
| Eugene J. Buffington       | Allen B. Pond  |
| Albert B. Dick             | John E. Wilder |

### EDUCATIONAL COMMITTEE

|                                 |                      |
|---------------------------------|----------------------|
| Clayton Mark, Chairman          |                      |
| Frank H. Armstrong              | William A. Gardner   |
| Alfred L. Baker                 | Charles H. Markham   |
| Edgar A. Bancroft               | Allen B. Pond        |
| Benjamin Carpenter <sup>2</sup> | Theodore W. Robinson |
| Edward F. Carry                 | Homer A. Stillwell   |
| Henry B. Favill                 | Harry A. Wheeler     |

### COMMITTEE ON A FEDERAL IMMIGRATION STATION IN CHICAGO

|                          |                    |
|--------------------------|--------------------|
| John E. Wilder, Chairman |                    |
| Albert B. Dick           | Bernard A. Eckhart |
| Alexander A. McCormick   | Allen B. Pond      |

<sup>1</sup> Appointed December 26, 1913, to act in Hugh J. McBirney's place while abroad.

<sup>2</sup> Resigned while in office as President.



# THE COMMERCIAL CLUB OF CHICAGO

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## COMMITTEE ON REVISION OF ILLINOIS TAXATION LAWS

Adolphus C. Bartlett, Chairman

Bernard A. Eckhart, Vice-Chairman

Victor F. Lawson

Albert A. Sprague II

Cyrus H. McCormick

Frederic W. Upham

Harrison B. Riley

Walter H. Wilson

## COMMITTEE ON PLAN OF CHICAGO

Edward B. Butler, Chairman

John W. Scott, Vice-Chairman

Emerson B. Tuttle, Secretary

Walter H. Wilson, Treasurer

Alfred Cowles

Julius Rosenwald

Charles H. Hulburt

Bernard E. Sunny



## OFFICERS AND COMMITTEES

---

1912-13

|                                 |                    |
|---------------------------------|--------------------|
| <i>President</i> . . . . .      | Clyde M. Carr      |
| <i>Vice-President</i> . . . . . | Bernard A. Eckhart |
| <i>Secretary</i> . . . . .      | Walter B. Smith    |
| <i>Treasurer</i> . . . . .      | Stanley Field      |

### EXECUTIVE COMMITTEE

Clyde M. Carr  
Bernard A. Eckhart  
Walter B. Smith  
Stanley Field

|                                   |                      |
|-----------------------------------|----------------------|
| Frederic A. Delano                | William E. Clow      |
| Arthur D. Wheeler <sup>1</sup>    | Cyrus H. McCormick   |
| Adolphus C. Bartlett <sup>2</sup> | Theodore W. Robinson |
| Charles L. Strobel                |                      |

### RECEPTION COMMITTEE

Arthur D. Wheeler,<sup>1</sup> Chairman  
Charles L. Strobel,<sup>3</sup> Chairman

|                   |                    |
|-------------------|--------------------|
| J. Harley Bradley | John J. Glessner   |
| Edwin G. Foreman  | Charles H. Hulburt |

### EDUCATIONAL COMMITTEE

Clayton Mark, Chairman

|                    |                                 |
|--------------------|---------------------------------|
| Frank H. Armstrong | William A. Gardner <sup>4</sup> |
| Alfred L. Baker    | Charles H. Markham <sup>5</sup> |
| Edgar A. Bancroft  | Allen B. Pond                   |
| Benjamin Carpenter | Theodore W. Robinson            |
| Edward F. Carry    | Homer A. Stillwell              |
| Henry B. Favill    | Harry A. Wheeler <sup>4</sup>   |

<sup>1</sup> Deceased August 29, 1912.

<sup>2</sup> Appointed September 23, 1912.

<sup>3</sup> Appointed September 23, 1912.

<sup>4</sup> Appointed December 23, 1912.

<sup>5</sup> Appointed January 6, 1913.



# THE COMMERCIAL CLUB OF CHICAGO

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## COMMITTEE ON A FEDERAL IMMIGRATION STATION IN CHICAGO

John E. Wilder, Chairman

Albert B. Dick

Bernard A. Eckhart

Alexander A. McCormick

Allen B. Pond

## COMMITTEE OF EASTERN MEMBERS ON A FEDERAL IMMIGRATION STATION IN CHICAGO

Charles D. Norton, Chairman

Richard M. Bissell

John R. Morron

Robert C. Clowry

Norman B. Ream

John F. Harris

James Gamble Rogers

## COMMITTEE ON REVISION OF ILLINOIS TAXATION LAWS

Adolphus C. Bartlett, Chairman

Arthur D. Wheeler,<sup>1</sup> Vice-Chairman

Bernard A. Eckhart,<sup>2</sup> Vice-Chairman

Victor F. Lawson

Albert A. Sprague II

Cyrus H. McCormick

Frederic W. Upham

Harrison B. Riley<sup>3</sup>

Walter H. Wilson

## COMMITTEE ON PLAN OF CHICAGO

Edward B. Butler, Chairman

John W. Scott, Vice-Chairman

Emerson B. Tuttle, Secretary

Walter H. Wilson, Treasurer

Alfred Cowles

Julius Rosenwald

Charles H. Hulburt

Bernard E. Sunny

## COMMITTEE ON UNITED STATES GOVERNMENT POSTS

Harold F. McCormick, Chairman

William E. Clow

Hugh J. McBirney

Thomas E. Donnelley

Hiram R. McCullough

<sup>1</sup> Deceased August 29, 1912.

<sup>2</sup> To fill unexpired term.

<sup>3</sup> Appointed December 23, 1912.



## OFFICERS AND COMMITTEES

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1911-12

|                       |   |   |   |   |   |   |                    |
|-----------------------|---|---|---|---|---|---|--------------------|
| <i>President</i>      | . | . | . | . | . | . | Frederic A. Delano |
| <i>Vice-President</i> | . | . | . | . | . | . | Frank H. Armstrong |
| <i>Secretary</i>      | . | . | . | . | . | . | Edward F. Carry    |
| <i>Treasurer</i>      | . | . | . | . | . | . | John J. Mitchell   |

### EXECUTIVE COMMITTEE

Frederic A. Delano  
Frank H. Armstrong  
Edward F. Carry  
John J. Mitchell

|                        |                    |
|------------------------|--------------------|
| David R. Forgan        | Charles H. Conover |
| Alexander A. McCormick | Clayton Mark       |
| William E. Clow        | Cyrus H. McCormick |

### RECEPTION COMMITTEE

|                                  |                 |
|----------------------------------|-----------------|
| Alexander A. McCormick, Chairman |                 |
| Nelson P. Bigelow                | Walter B. Smith |
| Joseph E. Otis                   | Edward F. Swift |

### EDUCATIONAL COMMITTEE

|                        |                      |
|------------------------|----------------------|
| Clayton Mark, Chairman |                      |
| Frank H. Armstrong     | Allen B. Pond        |
| Alfred L. Baker        | Theodore W. Robinson |
| Benjamin Carpenter     | Homer A. Stillwell   |

### COMMITTEE ON LAKE BLUFF NAVAL TRAINING STATION

|                            |                        |
|----------------------------|------------------------|
| Walter H. Wilson, Chairman |                        |
| Benjamin Carpenter         | Alexander A. McCormick |
| Frank H. Jones             | Hiram R. McCullough    |

### COMMITTEE ON A FEDERAL IMMIGRATION STATION IN CHICAGO

|                          |                        |
|--------------------------|------------------------|
| John E. Wilder, Chairman |                        |
| Albert B. Dick           | Allen B. Pond          |
| Bernard A. Eckhart       | Alexander A. McCormick |

### COMMITTEE ON PLAN OF CHICAGO

|                              |                     |
|------------------------------|---------------------|
| Edward B. Butler, Chairman   |                     |
| John W. Scott, Vice-Chairman |                     |
| Emerson B. Tuttle, Secretary |                     |
| Walter H. Wilson, Treasurer  |                     |
| Charles G. Dawes             | Harold F. McCormick |
| Charles H. Hulburd           | Julius Rosenwald    |



# THE COMMERCIAL CLUB OF CHICAGO

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1910-11

|                       |   |   |   |   |   |   |   |                    |
|-----------------------|---|---|---|---|---|---|---|--------------------|
| <i>President</i>      | . | . | . | . | . | . | . | David R. Forgan    |
| <i>Vice-President</i> | . | . | . | . | . | . | . | Frank H. Jones     |
| <i>Secretary</i>      | . | . | . | . | . | . | . | Edward F. Carry    |
| <i>Treasurer</i>      | . | . | . | . | . | . | . | Francis C. Farwell |

## EXECUTIVE COMMITTEE

David R. Forgan  
Frank H. Jones  
Edward F. Carry  
Francis C. Farwell

|                      |                     |
|----------------------|---------------------|
| Theodore W. Robinson | William J. Chalmers |
| Arthur T. Aldis      | Charles H. Conover  |
| James B. Forgan      | Clayton Mark        |

## RECEPTION COMMITTEE

Arthur T. Aldis, Chairman  
Charles R. Corwith                      Mark Morton  
Samuel M. Felton                      Byron L. Smith

## COMMITTEE ON PUBLICATION

John W. Scott, Chairman  
Alfred Cowles                      Herman H. Kohlsaat

## COMMITTEE ON PUBLIC HEALTH

Granger Farwell, Chairman  
J. Ogden Armour                      George Merryweather  
J. J. Dau                      Albert A. Sprague II

## EDUCATIONAL COMMITTEE

Clayton Mark, Chairman  
Frank H. Armstrong                      Eugene J. Buffington  
Alfred L. Baker                      Ernest A. Hamill  
Nelson P. Bigelow                      John R. Morron

## COMMITTEE ON LAKE BLUFF NAVAL TRAINING STATION

Walter H. Wilson, Chairman  
Benjamin Carpenter                      Joseph E. Otis  
Hiram R. McCullough                      Frederic W. Upham

## COMMITTEE ON SMALL PARKS AND PLAYGROUNDS

Clarence Buckingham, Chairman  
Allen B. Pond                      Alexander H. Revell



## OFFICERS AND COMMITTEES

---

### COMMITTEE ON GLENWOOD SCHOOL

Edward B. Butler, Chairman

### COMMITTEE ON ST. CHARLES SCHOOL<sup>1</sup>

Stanley Field, Chairman

Benjamin Carpenter

### COMMITTEE ON EMPLOYERS' LIABILITY AND INDUSTRIAL INSURANCE

William E. Clow, Chairman

Edgar A. Bancroft

Harold F. McCormick

Thomas E. Donnelley

Mark Morton

Stanley Field

Edward F. Swift

Edward A. Turner

### COMMITTEE ON REVISION OF CONSTITUTION<sup>2</sup>

John J. Glessner, Chairman

Edgar A. Bancroft

Rollin A. Keyes

### COMMITTEE ON A FEDERAL IMMIGRATION STATION IN CHICAGO

John E. Wilder, Chairman

Alexander A. McCormick

Allen B. Pond

John V. Farwell

Bernard A. Eckhart

### COMMITTEE ON STATE PAWNERS' SOCIETY

John V. Farwell, Chairman

### COMMITTEE ON CHATTEL MORTGAGE LOAN AND ANTI-LOAN SHARK LEGISLATION

John V. Farwell, Chairman

Edgar A. Bancroft

Frederic W. Upham

### COMMITTEE ON PLAN OF CHICAGO

Edward B. Butler, Chairman

John W. Scott, Vice-Chairman

Emerson B. Tuttle, Secretary

Charles G. Dawes

Charles H. Hulburd

Harold F. McCormick

<sup>1</sup> Discharged May 16, 1910.

<sup>2</sup> Discharged January 26, 1911.



# THE COMMERCIAL CLUB OF CHICAGO

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1909-10

|                       |   |   |   |   |   |   |                      |
|-----------------------|---|---|---|---|---|---|----------------------|
| <i>President</i>      | . | . | . | . | . | . | Theodore W. Robinson |
| <i>Vice-President</i> | . | . | . | . | . | . | Bernard E. Sunny     |
| <i>Secretary</i>      | . | . | . | . | . | . | Homer A. Stillwell   |
| <i>Treasurer</i>      | . | . | . | . | . | . | Charles G. Dawes     |

## EXECUTIVE COMMITTEE

Theodore W. Robinson

Bernard E. Sunny

Homer A. Stillwell

Charles G. Dawes

Rollin A. Keyes

John J. Glessner

Charles L. Strobel

Frederick Greeley<sup>1</sup>

James B. Forgan

Cyrus H. McCormick<sup>2</sup>

William J. Chalmers

## RECEPTION COMMITTEE

Charles L. Strobel, Chairman

William L. Brown

Chauncey Keep

Alfred Cowles

Albert A. Sprague II

## COMMITTEE ON PUBLICATION

John W. Scott, Chairman

Nelson P. Bigelow

Herman H. Kohlsaatt

## EDUCATIONAL COMMITTEE

Clayton Mark, Chairman

Frank H. Armstrong

David R. Forgan

Alfred L. Baker

John R. Morron

Edward F. Carry

Frederic W. Upham

## COMMITTEE ON PUBLIC HEALTH

Frank B. Noyes, Chairman

J. Ogden Armour

Ernest A. Hamill

Granger Farwell

Arthur Meeker

<sup>1</sup> Resigned December 30, 1909.

<sup>2</sup> To fill unexpired term.



## OFFICERS AND COMMITTEES

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### COMMITTEE ON LAKE BLUFF NAVAL TRAINING STATION

Walter H. Wilson, Chairman

Alfred L. Baker

John R. Morron

Harold F. McCormick

Frederic W. Upham

### COMMITTEE ON SMALL PARKS AND PLAYGROUNDS

Clarence Buckingham, Chairman

Allen B. Pond

### COMMITTEE ON GLENWOOD SCHOOL

Edward B. Butler, Chairman

### COMMITTEE ON ST. CHARLES SCHOOL

Stanley Field, Chairman

Benjamin Carpenter

### COMMITTEE ON PLAN OF CHICAGO

#### GENERAL COMMITTEE<sup>1</sup>

|                      |   |   |   |   |   |   |                    |
|----------------------|---|---|---|---|---|---|--------------------|
| <i>Chairman</i>      | . | . | . | . | . | . | Charles H. Wacker  |
| <i>Vice-Chairman</i> | . | . | . | . | . | . | John V. Farwell    |
| <i>Secretary</i>     | . | . | . | . | . | . | Frederic A. Delano |
| <i>Treasurer</i>     | . | . | . | . | . | . | Walter H. Wilson   |

Edgar A. Bancroft

Adolphus C. Bartlett

Edward B. Butler

Charles L. Hutchinson

Clyde M. Carr

Joy Morton

Theodore W. Robinson

Charles H. Thorne

#### GENERAL COMMITTEE<sup>2</sup>

Edward B. Butler, Chairman

John W. Scott, Vice-Chairman

Emerson B. Tuttle, Secretary

Charles G. Dawes

Harold F. McCormick

Charles H. Hulburt

Charles L. Strobel

<sup>1</sup> Resigned upon formation of Chicago Plan Commission.

<sup>2</sup> Appointed February 3, 1910.



# THE COMMERCIAL CLUB OF CHICAGO

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## COMMITTEE ON LAKE PARKS

Edward B. Butler, Chairman

|                     |                     |
|---------------------|---------------------|
| Edgar A. Bancroft   | Harold F. McCormick |
| Clarence Buckingham | John J. Mitchell    |
| Charles H. Hulburd  | John E. Wilder      |

## COMMITTEE ON RAILWAY TERMINALS

Joy Morton, Chairman

|                    |                   |
|--------------------|-------------------|
| William E. Clow    | Martin A. Ryerson |
| Cyrus H. McCormick | John G. Shedd     |
| Joseph E. Otis     | Louis F. Swift    |

## COMMITTEE ON STREETS AND BOULEVARDS

Clyde M. Carr, Chairman

|                     |                   |
|---------------------|-------------------|
| John M. Clark       | Louis A. Ferguson |
| Charles H. Conover  | Stanley Field     |
| Thomas E. Donnelley | John A. Spoor     |

## COMMITTEE ON INTERURBAN ROADWAYS

Charles H. Thorne, Chairman

|                     |                  |
|---------------------|------------------|
| Benjamin Carpenter  | Hugh J. McBirney |
| Henry J. Macfarland | Edward A. Turner |

## COMMITTEE ON FINANCE

Adolphus C. Bartlett, Chairman

Charles G. Dawes, Vice-Chairman

|                       |                   |
|-----------------------|-------------------|
| Charles L. Hutchinson | Byron L. Smith    |
| Edwin A. Potter       | Albert A. Sprague |
| Walter H. Wilson      |                   |



## OFFICERS AND COMMITTEES

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1908-9

|                       |   |   |   |   |   |   |                   |
|-----------------------|---|---|---|---|---|---|-------------------|
| <i>President</i>      | . | . | . | . | . | . | Rollin A. Keyes   |
| <i>Vice-President</i> | . | . | . | . | . | . | Albert J. Earling |
| <i>Secretary</i>      | . | . | . | . | . | . | John W. Scott     |
| <i>Treasurer</i>      | . | . | . | . | . | . | Edwin G. Foreman  |

### EXECUTIVE COMMITTEE

Rollin A. Keyes  
Albert J. Earling  
John W. Scott  
Edwin G. Foreman  
John V. Farwell, Jr.                      John G. Shedd  
Frank H. Jones                          Theodore W. Robinson  
John J. Glessner  
Frederick Greeley

### RECEPTION COMMITTEE

Frank H. Jones, Chairman  
Adolphus C. Bartlett                      Stanley Field  
John W. G. Cofran                          Emerson B. Tuttle

### EDUCATIONAL COMMITTEE

Theodore W. Robinson, Chairman  
Edward B. Butler                          Bernard E. Sunny  
Edward F. Carry                          Frederic W. Upham  
Clayton Mark                              Charles H. Wacker

### COMMITTEE ON PUBLIC HEALTH

Frank B. Noyes, Chairman  
J. Ogden Armour                          John J. Glessner  
John V. Farwell, Jr.                      Harold F. McCormick  
Alexander H. Revell

### COMMITTEE ON SMALL PARKS AND PLAYGROUNDS

Frederick Greeley, Chairman  
Clarence Buckingham                      Allen B. Pond



# THE COMMERCIAL CLUB OF CHICAGO

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## LAKE BLUFF NAVAL TRAINING STATION COMMITTEE

Walter H. Wilson, Chairman

Alfred L. Baker

John R. Morron

Harold F. McCormick

Frederic W. Upham

## COMMITTEE ON GLENWOOD SCHOOL

Edward B. Butler, Chairman

## COMMITTEE ON ST. CHARLES SCHOOL

Stanley Field, Chairman

Benjamin Carpenter

## COMMITTEE ON STATE PAWNERS' SOCIETY

John V. Farwell, Jr., Chairman

## COMMITTEE ON PLAN OF CHICAGO

### GENERAL COMMITTEE

|                      |   |   |   |   |   |   |   |                    |
|----------------------|---|---|---|---|---|---|---|--------------------|
| <i>Chairman</i>      | . | . | . | . | . | . | . | Charles D. Norton  |
| <i>Vice-Chairman</i> | . | . | . | . | . | . | . | Charles H. Wacker  |
| <i>Secretary</i>     | . | . | . | . | . | . | . | Frederic A. Delano |
| <i>Treasurer</i>     | . | . | . | . | . | . | . | Walter H. Wilson   |

Adolphus C. Bartlett

Edward B. Butler

Clyde M. Carr

Charles L. Hutchinson

John V. Farwell, Jr.

Rollin A. Keyes

Joy Morton

Charles H. Thorne

### COMMITTEE ON LAKE PARKS

Edward B. Butler, Chairman

Edgar A. Bancroft

John V. Farwell, Jr.

William L. Brown

Harold F. McCormick

Charles G. Dawes

John J. Mitchell

### COMMITTEE ON RAILWAY TERMINALS

Joy Morton, Chairman

Adolphus C. Bartlett

Martin A. Ryerson

Franklin MacVeagh

John G. Shedd

Cyrus H. McCormick

Albert A. Sprague



## OFFICERS AND COMMITTEES

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### COMMITTEE ON STREETS AND BOULEVARDS

Clyde M. Carr, Chairman

Charles H. Conover

Albert A. Sprague II

Thomas E. Donnelley

Frederic W. Upham

James L. Houghteling

Charles H. Wacker

### COMMITTEE ON INTERURBAN ROADWAYS

Charles H. Thorne, Chairman

Benjamin Carpenter

Homer A. Stillwell

Edward F. Carry

Charles L. Strobel

### COMMITTEE ON FINANCE

Adolphus C. Bartlett, Chairman

Charles G. Dawes

Albert A. Sprague

Charles L. Hutchinson

Walter H. Wilson



# THE COMMERCIAL CLUB OF CHICAGO

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1907-08

|                       |   |   |   |   |   |   |                      |
|-----------------------|---|---|---|---|---|---|----------------------|
| <i>President</i>      | . | . | . | . | . | . | John V. Farwell, Jr. |
| <i>Vice-President</i> | . | . | . | . | . | . | John R. Morron       |
| <i>Secretary</i>      | . | . | . | . | . | . | John W. Scott        |
| <i>Treasurer</i>      | . | . | . | . | . | . | David R. Forgan      |

## EXECUTIVE COMMITTEE

John V. Farwell, Jr.

John R. Morron

John W. Scott

David R. Forgan

George E. Adams

Louis F. Swift

Clyde M. Carr

John G. Shedd

Charles H. Wacker

Theodore W. Robinson

## RECEPTION COMMITTEE

Charles H. Wacker, Chairman

Benjamin Carpenter

Frank H. Jones

Leslie Carter

Charles L. Strobel

## EDUCATIONAL COMMITTEE

Theodore W. Robinson, Chairman

Thomas E. Donnelley

Clayton Mark

Granger Farwell

Bernard E. Sunny

## LAKE BLUFF NAVAL TRAINING STATION COMMITTEE

Walter H. Wilson, Chairman

Alfred L. Baker

John R. Morron

Harold F. McCormick

Frederic W. Upham

## COMMITTEE ON PUBLIC HEALTH

Frank B. Noyes, Chairman

J. Ogden Armour

Harold F. McCormick

John J. Glessner

Alexander H. Revell

## COMMITTEE ON SMALL PARKS AND PLAYGROUNDS

Frederick Greeley, Chairman

Clarence Buckingham

Allen B. Pond

## BUILDING OF COMFORT STATION COMMITTEE

Edwin G. Foreman, Chairman

Charles D. Norton



## OFFICERS AND COMMITTEES

---

### COMMITTEE ON PLAN OF CHICAGO

#### GENERAL COMMITTEE

|                      |   |   |   |   |   |   |                    |
|----------------------|---|---|---|---|---|---|--------------------|
| <i>Chairman</i>      | . | . | . | . | . | . | Charles D. Norton  |
| <i>Vice-Chairman</i> | . | . | . | . | . | . | Charles H. Wacker  |
| <i>Secretary</i>     | . | . | . | . | . | . | Frederic A. Delano |
| <i>Treasurer</i>     | . | . | . | . | . | . | Walter H. Wilson   |

Adolphus C. Bartlett

Edward B. Butler

John V. Farwell, Jr.

Clyde M. Carr

Joy Morton

Charles H. Thorne

#### COMMITTEE ON LAKE FRONT

Edward B. Butler, Chairman

Leslie Carter

John V. Farwell, Jr.

Charles G. Dawes

Victor F. Lawson

Harold F. McCormick

#### COMMITTEE ON RAILWAY TERMINALS

Joy Morton, Chairman

Adolphus C. Bartlett

Franklin MacVeagh

William J. Chalmers

Cyrus H. McCormick

Charles H. Hulburt

Martin A. Ryerson

Chauncey Keep

John G. Shedd

Albert A. Sprague

#### COMMITTEE ON BOULEVARD TO CONNECT NORTH AND SOUTH SIDES

Clyde M. Carr, Chairman

Charles H. Conover

Charles H. Thorne

James L. Houghteling

Frederic W. Upham

Albert A. Sprague II

Charles H. Wacker

#### COMMITTEE ON INTERURBAN ROADWAYS

Charles H. Thorne, Chairman

Enos M. Barton

Frederick Greeley

#### COMMITTEE ON FINANCE

Adolphus C. Bartlett, Chairman

Charles G. Dawes

Albert A. Sprague

Charles L. Hutchinson

Walter H. Wilson







Membership  
of  
The Commercial Club of Chicago

THE COMMERCIAL CLUB, ORGANIZED 1877

THE MERCHANTS CLUB, ORGANIZED 1896

UNITED 1907







## ACTIVE MEMBERS

- 1899 **Arthur T. Aldis**  
Real Estate
- 1899 **Frank H. Armstrong**  
President Reid, Murdoch & Co.
- 1899 **Alfred L. Baker**  
Alfred L. Baker & Co.
- 1898 **Edgar A. Bancroft**  
General Counsel and Director International Harvester Co., of New Jersey
- 1901 **William L. Brown**  
President Pickands, Brown & Co.
- 1902 **Eugene J. Buffington**  
President Illinois Steel Co.
- 1896 **Edward B. Butler**  
Chairman Board of Directors Butler Brothers
- 1913 **H. M. Byllesby**  
President H. M. Byllesby & Co.
- 1914 **Augustus A. Carpenter**  
Vice-President Ayer & Lord Tie Co.
- 1896 **Benjamin Carpenter**  
President Geo. B. Carpenter & Co.
- 1906 **Clyde M. Carr**  
President Joseph T. Ryerson & Son
- 1904 **Edward F. Carry**  
President Haskell & Barker Car Company
- 1894 **William J. Chalmers**  
Manufacturer
- 1901 **William E. Clow**  
President James B. Clow & Sons
- 1898 **Alfred Cowles**  
332 South La Salle Street
- 1915 **Richard T. Crane, Jr.**  
President Crane Company
- 1914 **Joseph M. Cudahy**  
First Vice-President, Sinclair Oil & Refining Corporation



## THE COMMERCIAL CLUB OF CHICAGO

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- 1902 **Charles G. Dawes**  
President Central Trust Company of Illinois
- 1915 **Rufus C. Dawes**  
Public Utilities
- 1911 **Albert B. Dick**  
President A. B. Dick Co.
- 1902 **Thomas E. Donnelley**  
President R. R. Donnelley & Sons Co.
- 1898 **Bernard A. Eckhart**  
President B. A. Eckhart Milling Co.
- 1913 **Howard Elting**  
Secretary Adams & Elting Co.
- 1902 **Francis C. Farwell**  
Treasurer John V. Farwell Co.
- 1900 **Granger Farwell**  
649 Otis Building
- 1896 **John V. Farwell**  
President John V. Farwell Co.
- 1906 **Samuel M. Felton**  
President Chicago Great Western R. R. Co.
- 1899 **Louis A. Ferguson**  
Vice-President Commonwealth Edison Co.
- 1906 **Stanley Field**  
Vice-President Marshall Field & Co.
- 1902 **David R. Forgan**  
President National City Bank of Chicago
- 1884 **John J. Glessner**  
Vice-President International Harvester Co. of New Jersey
- 1913 **Richard C. Hall**  
Western Selling Agent United States Rubber Co.
- 1897 **Ernest A. Hamill**  
President Corn Exchange National Bank
- 1916 **Albert W. Harris**  
President, Harris Trust & Savings Bank
- 1914 **James O. Heyworth**  
M. Am. Soc. C. E., General Contractor
- 1915 **Hale Holden**  
President Chicago, Burlington & Quincy R. R. Co.
- 1913 **Edmund D. Hulbert**  
President Merchants Loan & Trust Co.
- 1917 **Edward N. Hurley**  
Manufacturer
- 1882 **Charles L. Hutchinson**  
Vice-President Corn Exchange National Bank



## ACTIVE MEMBERS

---

- 1900 Chauncey Keep  
112 W. Adams Street
- 1896 Rollin A. Keyes  
President Franklin MacVeagh & Co.
- 1915 Robert P. Lamont  
President American Steel Foundries
- 1899 Victor F. Lawson  
President The Chicago Daily News Co.
- 1901 Clayton Mark  
Vice-President National Malleable Castings Co.
- 1912 Charles H. Markham  
President Illinois Central Railroad Co.
- 1897 Hugh J. McBirney  
Assistant Manager National Lead Co.
- 1885 Cyrus H. McCormick  
President International Harvester Co. of New Jersey
- 1898 Harold F. McCormick  
Vice-President International Harvester Co. of New Jersey
- 1904 Medill McCormick  
1747 Conway Building.
- 1899 Hiram R. McCullough  
Vice-President Chicago & North Western Ry. Co.
- 1916 Donald R. McLennan  
Marsh & McLennan
- 1896 Arthur Meeker  
Vice-President Armour & Co.
- 1901 George Merryweather  
606 Straus Building
- 1901 Joy Morton  
Joy Morton & Co.
- 1906 Mark Morton  
President Western Cold Storage Co.
- 1901 La Verne W. Noyes  
President Aermotor Co.
- 1904 Joseph E. Otis  
Vice-President Central Trust Co. of Illinois
- 1914 Clarence S. Pellet  
Fire Insurance
- 1917 Charles Piez  
President and Treasurer, Link Belt Company
- 1914 John T. Pirie  
Carson, Pirie, Scott & Co.
- 1901 Allen B. Pond  
Pond & Pond



## THE COMMERCIAL CLUB OF CHICAGO

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- 1913 **H. H. Porter**  
1005 First National Bank Building
- 1896 **Alexander H. Revell**  
President Alexander H. Revell & Co.
- 1910 **George M. Reynolds**  
President The Continental and Commercial National Bank of Chicago
- 1912 **Harrison B. Riley**  
President Chicago Title and Trust Co.
- 1903 **Theodore W. Robinson**  
First Vice-President Illinois Steel Co.
- 1910 **Julius Rosenwald**  
President Sears, Roebuck & Co.
- 1888 **Martin A. Ryerson**  
134 S. La Salle Street
- 1905 **John W. Scott**  
Carson, Pirie, Scott & Co.
- 1896 **Louis A. Seeberger**  
Louis A. Seeberger & Co.
- 1897 **John G. Shedd**  
President Marshall Field & Co.
- 1915 **James Simpson**  
Vice-President Marshall Field & Co.
- 1915 **Solomon A. Smith**  
President The Northern Trust Company
- 1904 **Walter B. Smith**  
653 The Rookery
- 1903 **Albert A. Sprague II**  
Vice-President Sprague, Warner & Co.
- 1906 **Homer A. Stillwell**  
President Butler Brothers
- 1900 **Bernard E. Sunny**  
President Chicago Telephone Co.
- 1906 **Edward F. Swift**  
Vice-President Swift & Co.
- 1901 **Louis F. Swift**  
President Swift & Co.
- 1902 **Charles H. Thorne**  
Chairman Board of Directors Montgomery Ward & Co.
- 1917 **Robert J. Thorne**  
President, Montgomery Ward & Company
- 1904 **Edward A. Turner**  
404 S. Michigan Ave.



## ASSOCIATE MEMBERS

---

- 1899 **Frederic W. Upham**  
President Consumers Company
- 1897 **Charles H. Wacker**  
Real Estate
- 1915 **Ezra J. Warner**  
Vice-President and Secretary Sprague, Warner & Co.
- 1916 **Frank O. Wetmore**  
President First National Bank of Chicago
- 1912 **Harry A. Wheeler**  
Vice-President Union Trust Co.
- 1905 **John E. Wilder**  
Vice-President Wilder & Co.
- 1916 **Oliver T. Wilson**  
Wilson Brothers
- 1896 **Walter H. Wilson**  
Walter H. Wilson & Co.

## ASSOCIATE MEMBERS

- 1899 **George Everett Adams**  
108 S. La Salle St.
- 1901 **J. Ogden Armour**  
President Armour & Co.
- 1899 **Edward E. Ayer**  
Chairman Board of Directors Ayer & Lord Tie Co.
- 1882 **Adolphus C. Bartlett**  
Chairman Board of Directors Hibbard, Spencer, Bartlett & Co.
- 1881 **J. Harley Bradley**  
217 North Desplaines Street
- 1899 **Rensselaer W. Cox**  
President Pioneer Cooperage Co.
- 1904 **J. J. Dau**  
Chairman Board of Directors Reid, Murdoch & Co.
- 1897 **Albert J. Earling**  
President Chicago, Milwaukee & St. Paul Railway Co.
- 1902 **James B. Forgan**  
Chairman Board of Directors First National Bank of Chicago
- 1877 **William A. Fuller**  
112 W. Adams St.
- 1878 **Marvin Hughitt**  
Chairman Board of Directors Chicago & North Western Ry. Co.
- 1900 **Charles H. Hulburd**  
President Elgin National Watch Co.
- 1899 **Samuel Insull**  
President Commonwealth Edison Co.



## THE COMMERCIAL CLUB OF CHICAGO

---

- 1898 David B. Jones  
President Mineral Point Zinc Co.
- 1901 Frank H. Jones  
Secretary Continental and Commercial Trust and Savings Bank
- 1891 Herman H. Kohlsaat  
1440 First National Bank Building
- 1897 Alexander A. McCormick  
Alderman
- 1896 John J. Mitchell  
President Illinois Trust and Savings Bank
- 1902 Edwin A. Potter  
76 West Monroe Street
- 1898 Edward P. Ripley  
President Atchison, Topeka & Santa Fé Ry. Co.
- 1899 John A. Spoor  
Chairman Board of Directors Union Stock Yard and Transit Co.
- 1896 Charles L. Strobel  
President Strobel Steel Construction Co.

### NON-RESIDENT MEMBERS

- |  |   |
|--|---|
| 1896 Nelson P. Bigelow<br>Bigelow, Arkansas            | 1902 Edward D. Kenna<br>New York            |
| 1896 Richard M. Bissell<br>Hartford                    | 1896 William Kent<br>Kentfield, Cal.        |
| 1895 Robert C. Clowry<br>New York                      | 1898 Robert T. Lincoln<br>Washington, D. C. |
| 1902 Charles R. Crane<br>New York                      | 1878 Franklin MacVeagh<br>Washington, D. C. |
| 1902 Frederic A. Delano<br>Washington, D. C.           | 1896 John F. Morron<br>New York             |
| 1880 The Right Hon.<br>Lord Leith of Fyvie<br>Scotland | 1902 Charles D. Norton<br>New York          |
| 1880 Lyman J. Gage<br>Point Loma, Cal.                 | 1902 Frank B. Noyes<br>Washington, D. C.    |
| 1902 John F. Harris<br>New York                        | 1899 James Gamble<br>Rogers<br>New York     |
| 1898 Charles H. Hodges<br>Detroit                      | 1896 H. Gordon Selfridge<br>London          |

1894 Melville E. Stone  
New York



## DECEASED MEMBERS

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### RETIRED MEMBERS

1877 John M. Clark  
 1887 Harlow N. Higinbotham  
 1877 Henry J. Macfarland

### DECEASED MEMBERS

|  |                 |
|--|-----------------|
| Solomon Albert Smith . . . . .           | November, 1879  |
| Edward Swan Stickney . . . . .           | March, 1880     |
| James Monroe Walker . . . . .            | January, 1881   |
| Richard C. Meldrum . . . . .             | April, 1881     |
| George Armour . . . . .                  | June, 1881      |
| John Clark Coonley . . . . .             | October, 1882   |
| Charles Palmer Kellogg . . . . .         | April, 1883     |
| Anson Stager . . . . .                   | March, 1885     |
| John Winkinson McGenniss . . . . .       | May, 1885       |
| George Clinton Clarke . . . . .          | April, 1887     |
| Martin Ryerson . . . . .                 | September, 1887 |
| John Crerar . . . . .                    | October, 1889   |
| William Emerson Strong . . . . .         | April, 1891     |
| Uri Balcom . . . . .                     | November, 1893  |
| John Burroughs Drake . . . . .           | November, 1895  |
| Charles Mather Henderson . . . . .       | January, 1896   |
| Edson Keith . . . . .                    | November, 1896  |
| James Wheeler Oakley . . . . .           | January, 1897   |
| Henry Baldwin Stone . . . . .            | July, 1897      |
| George Mortimer Pullman . . . . .        | October, 1897   |
| Louis Wampold . . . . .                  | February, 1898  |
| Henry William King . . . . .             | April, 1898     |
| John DeKoven . . . . .                   | April, 1898     |
| William Charles Dustin Grannis . . . . . | August, 1898    |
| Robert Alexander Waller . . . . .        | February, 1899  |
| George Walker Meeker . . . . .           | April, 1899     |



# THE COMMERCIAL CLUB OF CHICAGO

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| Charles Fargo . . . . .                | October, 1900   |
| Philip Danforth Armour . . . . .       | January, 1901   |
| John Wesley Doane . . . . .            | March, 1901     |
| Alexander Caldwell McClurg . . . . .   | April, 1901     |
| John Spragins Hannah . . . . .         | July, 1901      |
| Anthony Frederick Seeberger . . . . .  | July, 1901      |
| John James Janes . . . . .             | August, 1901    |
| Dunlap Smith . . . . .                 | December, 1901  |
| Nathaniel Kellogg Fairbank . . . . .   | March, 1903     |
| Charles Benjamin Farwell . . . . .     | September, 1903 |
| William Taylor Baker . . . . .         | October, 1903   |
| William Gold Hibbard . . . . .         | October, 1903   |
| Elias Taylor Watkins . . . . .         | December, 1903  |
| Christoph Hotz . . . . .               | January, 1904   |
| Hermon Beardsley Butler . . . . .      | February, 1904  |
| Eugene Cary . . . . .                  | March, 1904     |
| Levi Zeigler Leiter . . . . .          | June, 1904      |
| George Clarke Walker . . . . .         | April, 1905     |
| Elbridge Gerry Keith . . . . .         | May, 1905       |
| Graeme Stewart . . . . .               | June, 1905      |
| Rockwell King . . . . .                | July, 1905      |
| William Chisholm . . . . .             | December, 1905  |
| Marshall Field . . . . .               | January, 1906   |
| William Rainey Harper . . . . .        | January, 1906   |
| Peter Schuttler . . . . .              | September, 1906 |
| James Herron Eckels . . . . .          | April, 1907     |
| Orrin Woodward Potter . . . . .        | May, 1907       |
| John M. Durand . . . . .               | November, 1907  |
| Francis Bolles Peabody . . . . .       | January, 1908   |
| Andrew Brown . . . . .                 | August, 1908    |
| Leslie Carter . . . . .                | September, 1908 |
| Charles Frederick Kimball . . . . .    | January, 1909   |
| Otho S. A. Sprague . . . . .           | February, 1909  |
| Charles Leffingwell Bartlett . . . . . | March, 1909     |
| Turlington W. Harvey . . . . .         | September, 1909 |



## DECEASED MEMBERS

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|--------------------------------------|-----------------|
| Thomas Murdoch . . . . .             | December, 1909  |
| Henry Homes Porter . . . . .         | March, 1910     |
| Erskine Mason Phelps . . . . .       | May, 1910       |
| James Lawrence Houghteling . . . . . | July, 1910      |
| Paul Morton . . . . .                | January, 1911   |
| Joseph Tilton Bowen . . . . .        | March, 1911     |
| Augustus Alvord Carpenter . . . . .  | September, 1911 |
| Robert Mather . . . . .              | October, 1911   |
| Richard T. Crane . . . . .           | January, 1912   |
| John W. G. Cofran . . . . .          | January, 1912   |
| Frederick Greeley . . . . .          | January, 1912   |
| James T. Harahan . . . . .           | January, 1912   |
| Daniel H. Burnham . . . . .          | June, 1912      |
| Arthur D. Wheeler . . . . .          | August, 1912    |
| Thies J. Lefens . . . . .            | April, 1913     |
| Clarence Buckingham . . . . .        | August, 1913    |
| Eliphalet W. Blatchford . . . . .    | January, 1914   |
| Byron L. Smith . . . . .             | March, 1914     |
| Franklin H. Head . . . . .           | June, 1914      |
| William S. Warren . . . . .          | August, 1914    |
| Darius Miller . . . . .              | August, 1914    |
| Albert Arnold Sprague . . . . .      | January, 1915   |
| Norman B. Ream . . . . .             | February, 1915  |
| William H. Rand . . . . .            | June, 1915      |
| Edwin G. Foreman . . . . .           | August, 1915    |
| Charles H. Conover . . . . .         | November, 1915  |
| Charles R. Corwith . . . . .         | December, 1915  |
| Henry Baird Favill . . . . .         | February, 1916  |
| Enos M. Barton . . . . .             | May, 1916       |
| William A. Gardner . . . . .         | May, 1916       |
| Murry Nelson . . . . .               | January, 1917   |







Subjects of Meetings  
of  
The Commercial Club of Chicago

THE COMMERCIAL CLUB, ORGANIZED 1877

THE MERCHANTS CLUB, ORGANIZED 1896

UNITED 1907







# **SUBJECTS OF MEETINGS OF THE COMMERCIAL CLUB OF CHICAGO**

**1907**

**GEORGE E. ADAMS, President**

**APRIL 6.— One Hundred and Ninety-sixth Regular Meeting.**

**The City and the State.**

**RT. HONORABLE JAMES BRYCE, BRITISH AMBASSADOR.**

**APRIL 27.— One Hundred and Ninety-seventh Regular and  
Twenty-ninth Annual Meeting.**

**CLOSED MEETING.**

**Plan of Chicago.**

**General Discussion.**

**1907-08**

**JOHN V. FARWELL, JR., President**

**MAY 31.— Special Meeting.**

**Formal Dinner in honor of General Baron Kuroki.**

**MAJOR-GENERAL A. W. GREELY, U. S. A., COMMANDER OF THE NORTHERN  
DIVISION; HONORABLE GEORGE E. ADAMS.**

**NOVEMBER 9.— One Hundred and Ninety-eighth Regular Meeting.**

**The Effect of Industrial Education upon the German Empire.**

**DR. K. G. RUDOLPH LEONHARD, JR., UNIVERSITY OF BRESLAU.**

**The Effect of Industrial Education upon Labor.**

**JOHN GOLDEN, PRESIDENT UNITED TEXTILE WORKERS OF AMERICA.**

**Possibilities of Industrial Education in America.**

**HENRY S. PRITCHETT, PRESIDENT CARNEGIE FOUNDATION FOR THE AD-  
VANCEMENT OF TEACHING.**



## THE COMMERCIAL CLUB OF CHICAGO

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DECEMBER 14.—One Hundred and Ninety-ninth Regular Meeting.

Public Domain.—Department of the Interior.

HONORABLE ETHAN A. HITCHCOCK, EX-SECRETARY OF THE INTERIOR.

Forestry, Irrigation, and Public Lands.

GEORGE H. MAXWELL, EXECUTIVE CHAIRMAN, THE NATIONAL IRRIGATION ASSOCIATION.

JANUARY 11.—Two Hundredth Regular Meeting.

The Principles of Infection and the Tuberculosis Problem.

DR. L. HEKTOEN, DIRECTOR OF THE MEMORIAL INSTITUTE FOR INFECTIOUS DISEASES; DR. HENRY BAIRD FAVILL; DR. FRANK BILLINGS; DR. WILLIAM A. EVANS, COMMISSIONER OF HEALTH OF CHICAGO.

JANUARY 25.—Two Hundred and First Regular Meeting.

CLOSED MEETING.

Plan of Chicago.

General Discussion.

MARCH 14.—Two Hundred and Second Regular Meeting.

The Government and Business.

WOODROW WILSON, LL. D., PRESIDENT OF PRINCETON UNIVERSITY.

APRIL 4.—Two Hundred and Third Regular Meeting.

Formal Dinner in honor of the Honorable William H. Taft, Secretary of War.

MAY 2.—Two Hundred and Fourth Regular and Thirtieth Annual Meeting.

CLOSED MEETING.

1908-09

ROLLIN A. KEYES, President

NOVEMBER 3.—Special Meeting.

Informal Dinner to receive returns of election.

NOVEMBER 14.—Two Hundred and Fifth Regular Meeting.

The Public Schools of our Large Cities; their Administration and Curriculum.

JOHN H. FINLEY, LL. D., PRESIDENT OF THE COLLEGE OF THE CITY OF NEW YORK.



## SUBJECTS OF MEETINGS

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DECEMBER 12.—Two Hundred and Sixth Regular Meeting.  
The Psychologist and the Practical Life.

PROFESSOR HUGO MUNSTERBERG OF HARVARD UNIVERSITY.

JANUARY 9.—Two Hundred and Seventh Regular Meeting.  
Parole, Probation, and Indeterminate Sentence.

MAJOR R. W. CLAUGHRY OF FT. LEAVENWORTH.

JUDGE ALBERT C. BARNES OF CHICAGO.

JUDGE JULIAN W. MACK OF CHICAGO.

JUDGE CHARLES S. CUTTING OF CHICAGO.

FEBRUARY 13.—Two Hundred and Eighth Regular Meeting.

The People and the Courts.

MR. EDGAR A. BANCROFT.

APRIL 10.—Two Hundred and Ninth Regular and Thirty first Annual Meeting.

CLOSED MEETING.

Club guests of Mr. John J. Glessner at his home, 1800  
Prairie Avenue.

1909-10

THEODORE W. ROBINSON, President

JUNE 5.—Special Meeting.

Formal Dinner in honor of The Honorable Franklin  
MacVeagh, Secretary of the Treasury, and The Hon.  
orable Jacob M. Dickinson, Secretary of War.

SEPTEMBER 16.—Special Meeting.

Luncheon in honor of William Howard Taft, President  
of the United States.

NOVEMBER 6.—Two Hundred and Tenth Regular Meeting.  
The Work of the National Monetary Commission.

SENATOR NELSON W. ALDRICH.



## THE COMMERCIAL CLUB OF CHICAGO

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DECEMBER.— Omitted.

JANUARY 11.— Two Hundred and Eleventh Regular Meeting.

The Presentation of the Plan of Chicago.

MR. CHARLES D. NORTON.

MR. CHARLES H. WACKER.

ALDERMAN BERNARD W. SNOW.

FEBRUARY 19.— Two Hundred and Twelfth Regular Meeting.

Employers' Liability and Industrial Insurance.

THE HONORABLE CHARLES NAGEL, SECRETARY OF COMMERCE AND LABOR.

GEORGE M. GILLETTE, MEMBER OF MINNESOTA EMPLOYEES' COMPENSATION COMMISSION.

MARCH 26.— Two Hundred and Thirteenth Regular Meeting.

A Federal Immigration Station in Chicago.

SENATOR WILLIAM P. DILLINGHAM, CHAIRMAN OF THE NATIONAL IMMIGRATION COMMISSION.

JUDGE JULIAN W. MACK, PRESIDENT OF THE LEAGUE FOR THE PROTECTION OF IMMIGRANTS.

APRIL 9.— Two Hundred and Fourteenth Regular and Thirty-second Annual Meeting.

CLOSED MEETING.

1910-11

DAVID R. FORGAN, President

JUNE 4.— Special Meeting.

Informal Dinner in honor of The Commercial Club of Cincinnati.

NOVEMBER 12.— Two Hundred and Fifteenth Regular Meeting.

CLOSED MEETING: The Commercial Club: Its Past, Present, and Future.

MR. JOHN J. GLESSNER.

MR. FRANK H. JONES.

MR. ALFRED L. BAKER.



## SUBJECTS OF MEETINGS

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**DECEMBER 10.—Two Hundred and Sixteenth Regular Meeting.**

**Government of Cities by Commission.**

JOHN MACVICAR, MEMBER OF THE COMMISSION GOVERNMENT OF THE CITY OF DES MOINES, IOWA.

H. BALDWIN RICE, MAYOR OF THE CITY OF HOUSTON, TEXAS.

WALTER H. WILSON, COMPTROLLER OF THE CITY OF CHICAGO.

**JANUARY 26.—Two Hundred and Seventeenth Regular Meeting.**

**Increasing Cost of Armaments and Rising Cost of Living.**

HONORABLE W. BOURKE COCKRAN, OF NEW YORK CITY.

**FEBRUARY 25.—Two Hundred and Eighteenth Regular Meeting.**

**The Aldrich Plan for Banking Legislation.**

FRANK A. VANDERLIP, PRESIDENT OF THE NATIONAL CITY BANK OF NEW YORK.

**MARCH.—Omitted.**

**APRIL 8.—Two Hundred and Nineteenth Regular and Thirty-third Annual Meeting.**

**CLOSED MEETING.**

1911-12

**FREDERIC A. DELANO, President**

**OCTOBER 10.—Special Closed Meeting.**

**Exhibition of material on industrial education collected in Europe by Dr. Edwin G. Cooley, Educational Adviser of the Club.**

**NOVEMBER 11.—Two Hundred and Twentieth Regular Meeting.**

**Vocational Education.**

HERMAN SCHNEIDER, PH. D., DEAN OF THE COLLEGE OF ENGINEERING OF THE UNIVERSITY OF CINCINNATI.

CHARLES H. WINSLOW, SPECIAL AGENT OF THE BUREAU OF LABOR, DEPARTMENT OF COMMERCE AND LABOR.



## THE COMMERCIAL CLUB OF CHICAGO

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NOVEMBER 21.—Special Closed Meeting.

Report on Investigation of Industrial Education in Europe.

EDWIN G. COOLEY, LL.D., EDUCATIONAL ADVISER OF THE CLUB.

Industrial and Technical Education.

MR. RICHARD T. CRANE.

General Discussion.

DECEMBER 9.—Two Hundred and Twenty-first Regular Meeting.

CLOSED MEETING.

The Trusts.

MR. ALFRED L. BAKER.

Vocational Education.

MR. WILLIAM L. BROWN.

Some Phases of the Club's Activity in the Work of Its Committees.

MR. CLYDE M. CARR.

Optimism.

MR. JOHN J. GLESSNER.

The Welfare of Chicago.

MR. CHARLES L. HUTCHINSON.

Public Service Corporations.

MR. SAMUEL INSULL.

Currency Legislation and Currency Reform.

MR. GEORGE M. REYNOLDS.

Co-operation.

MR. JOHN W. SCOTT.

Business.

MR. LOUIS F. SWIFT.

Industrial Insurance.

MR. CHARLES H. THORNE.



## SUBJECTS OF MEETINGS

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**JANUARY 13.—Two Hundred and Twenty-second Regular Meeting.**

**The Welfare of the Children.**

**How to Prevent Delinquency.**

MRS. JOSEPH T. BOWEN, PRESIDENT OF THE JUVENILE PROTECTIVE ASSOCIATION.

**The Funds to Parents Act and How to Treat Delinquency.**

HON. MERRITT W. PINCKNEY, CHIEF JUSTICE OF THE CIRCUIT COURT OF COOK COUNTY AND JUDGE OF THE JUVENILE COURT.

**FEBRUARY 10.—Two Hundred and Twenty-third Regular Meeting.**

**CLOSED MEETING.**

**The Trust Problem.**

MR. EDGAR A. BANCROFT.

**Taxation.**

MR. ADOLPHUS C. BARTLETT.

**The Lake Front Improvement.**

MR. EDWARD B. BUTLER.

**Supervision of the Trusts.**

MR. DAVID R. FORGAN.

**Industrial Education.**

MR. THEODORE W. ROBINSON.

**The Panama Canal.**

MR. JOHN E. WILDER.

**MARCH 16.—Two Hundred and Twenty-fourth Regular Meeting.**

**Education for National Efficiency.**

GEORGE E. VINCENT, LL.D., PRESIDENT OF THE UNIVERSITY OF MINNESOTA.

**APRIL 13.—Two Hundred and Twenty-fifth Regular and Thirty-fourth Annual Meeting.**

**CLOSED MEETING.**

**Discussion of Reform of Taxation in Illinois.**



# THE COMMERCIAL CLUB OF CHICAGO

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1912-13

CLYDE M. CARR, President

MAY 6.— Special Closed Meeting.

Report of Committee Appointed to Consider the Advisability of the Club Taking Action Looking to the Reform of Revenue Laws of the State of Illinois.

NOVEMBER 9.— Two Hundred and Twenty-sixth Regular Meeting.

Necessary Reforms in the System of State Taxation in Illinois.

Why There is Urgent Need of Reform.

MR. JOHN P. WILSON.

Fundamental Condition of Achieving Reform.

DR. EDMUND J. JAMES, PRESIDENT UNIVERSITY OF ILLINOIS.

Necessary Changes in Administration to Secure Permanent Reform.

MR. HARRISON B. RILEY, PRESIDENT CHICAGO TITLE & TRUST COMPANY.

DECEMBER 14.— Two Hundred and Twenty-seventh Regular Meeting.

What is Progress in Politics?

DR. NICHOLAS MURRAY BUTLER, PRESIDENT COLUMBIA UNIVERSITY.

JANUARY 11.— Two Hundred and Twenty-eighth Regular Meeting.

The Business Future of the Country.

GOVERNOR WOODROW WILSON,  
President-Elect of the United States.

FEBRUARY 8.— Two Hundred and Twenty-ninth Regular Meeting.

CLOSED MEETING.

Federal Immigration Station in Chicago.

MR. JOHN E. WILDER.

Revision of Illinois Taxation Laws.

MR. BERNARD A. ECKHART.



## SUBJECTS OF MEETINGS

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### Vocational Education.

MR. CLAYTON MARK.  
MR. EDWIN G. COOLEY.  
MR. EDWARD F. CARRY.  
MR. ALLEN B. POND.

### Plan of Chicago.

MR. EDWARD B. BUTLER.

### Stereopticon Lecture.

MR. WALTER D. MOODY.

### MARCH 8.—Two Hundred and Thirtieth Regular Meeting. The Department of the Interior.

HON. WALTER L. FISHER, SECRETARY THE DEPARTMENT OF THE INTERIOR.  
Stereopticon Views and Moving Pictures Illustrative of the Scope and  
Work of The Department of the Interior.

MR. C. J. BLANCHARD, OF THE RECLAMATION SERVICE.

### APRIL 25.—Two Hundred and Thirty-first Regular and Thirty-fifth Annual Meeting.

CLOSED MEETING.

### Plan of Chicago.

### Revision of Illinois Taxation Laws.

### Federal Immigration Station in Chicago.

### Vocational Education.

1913-14

BENJAMIN CARPENTER, President

### NOVEMBER 8.—Two Hundred and Thirty-second Regular Meeting.

### The Diplomatic and Consular Service of the United States.

HON. WILLIAM J. CALHOUN, FORMER MINISTER TO CHINA.

### DECEMBER 13.—Two Hundred and Thirty-third Regular Meeting.

### The Meeting Ground of Business and Philanthropy.

E. R. L. GOULD, PH.D., LL.D., PRESIDENT CITY AND SUBURBAN HOMES  
COMPANY, NEW YORK.



## THE COMMERCIAL CLUB OF CHICAGO

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JANUARY.—Omitted.

FEBRUARY 14.—Two Hundred and Thirty-fourth Regular Meeting.

The Public Utility and the Public.

MORTIMER E. COOLEY, LL.D., ENG.D., DEAN, DEPARTMENT OF ENGINEERING, UNIVERSITY OF MICHIGAN.

HON. OWEN P. THOMPSON OF THE STATE PUBLIC UTILITIES COMMISSION OF ILLINOIS.

MARCH 14.—Two Hundred and Thirty-fifth Regular Meeting.

CLOSED MEETING.

The American Academy in Rome.

DR. JESSE BENEDICT CARTER, DIRECTOR OF THE AMERICAN ACADEMY IN ROME.

APRIL 11.—Two Hundred and Thirty-sixth Regular and Thirty-sixth Annual Meeting.

CLOSED MEETING.

Federal Immigration Station in Chicago.

Plan of Chicago.

Vocational Education.

1914-15

BERNARD E. SUNNY, President

OCTOBER 12.—Special Meeting.

Formal Dinner in honor of John V. Farwell, President of the National Citizens' League for the Promotion of a Sound Banking System, and Frederic A. Delano, Vice-Governor Federal Reserve Board.

MR. JAMES B. FORGAN.

MR. HARRY A. WHEELER.

PROF. J. LAURENCE LAUGHLIN.

MR. JOHN V. FARWELL.

MR. GEORGE M. REYNOLDS.

MR. EDGAR A. BANCROFT.

MR. CHARLES G. DAWES.

MR. FREDERIC A. DELANO.



## SUBJECTS OF MEETINGS

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NOVEMBER 20.— Two Hundred and Thirty-seventh Regular Meeting.

Economy and Efficiency in Government.

WILLIAM HOWARD TAFT, LL.D.

DECEMBER 12.— Two Hundred and Thirty-eighth Regular Meeting.

The Urgent Need for a Federal Budget.

DR. WILLIAM H. ALLEN.

JANUARY 9.— Two Hundred and Thirty-ninth Regular Meeting.

The Shipping Bill as a Means for the Development and Expansion of our Merchant Marine.

HON. WILLIAM G. MC ADAM, SECRETARY OF THE TREASURY.

FEBRUARY 13.— Two Hundred and Fortieth Regular Meeting.

CLOSED MEETING.

Chicago Plan Commission.

MR. CHARLES H. WACKER.

Vocational Education.

MR. THEODORE W. ROBINSON.

Revision of Illinois Taxation Laws.

MR. BERNARD A. ECKHART.

Federal Budget.

MR. HARRY A. WHEELER.

MARCH 13.— Two Hundred and Forty-first Regular Meeting.

Some History and Some Questions.

HENRY DODGE ESTABROOK, ESQ.

APRIL 10.— Two Hundred and Forty-second Regular and Thirty-seventh Annual Meeting.

CLOSED MEETING.

Plan of Chicago.

Vocational Education.

Revision of Illinois Taxation Laws.



# THE COMMERCIAL CLUB OF CHICAGO

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1915-16

JOHN W. SCOTT, President

SEPTEMBER 28.— Special Meeting.

Formal dinner in honor of The Right Honorable Lord  
Chief Justice of England.

HON. CHARLES S. CUTTING.

BARON READING OF ERLEIGH, LORD CHIEF JUSTICE OF ENGLAND.

M. ERNEST MALLETT.

NOVEMBER 13.— Two Hundred and Forty-third Regular  
Meeting.

CLOSED MEETING.

Plan of Chicago.

MR. CHARLES H. WACKER.

State Budget and Efficiency.

MR. MEDILL MCCORMICK.

Military Preparedness and Training Camps.

MR. HENRY H. PORTER.

Discussion of By-Laws.

DECEMBER 13.— Two Hundred and Forty-fourth Regular  
Meeting.

Military Instruction Camps.

Citizen Training Camps.

MAJOR GENERAL LEONARD WOOD, U. S. A.

JANUARY 8.— Two Hundred and Forty-fifth Regular  
Meeting.

CLOSED MEETING.

State Budget and Efficiency.

MR. HOMER A. STILLWELL.

General Discussion, Daniels Correspondence



## SUBJECTS OF MEETINGS

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**FEBRUARY 12.—Two Hundred and Forty-sixth Regular Meeting.**

**The Trilogy of Democracy.**

DARWIN P. KINGSLEY, ESQ., OF NEW YORK.

**MARCH 11.—Two Hundred and Forty-seventh Regular Meeting.**

**CLOSED MEETING.**

**Institute for Government Research.**

DR. FREDERICK A. CLEVELAND, DIRECTOR OF THE BUREAU OF MUNICIPAL RESEARCH, NEW YORK CITY.

MR. RAYMOND B. FOSDICK, SECRETARY INSTITUTE FOR GOVERNMENT RESEARCH.

**APRIL 8.—Two Hundred and Forty-eighth Regular and Thirty-eighth Annual Meeting.**

**CLOSED MEETING.**

**1916-1917**

**JAMES B. FORGAN, President**

**APRIL 27.—Special Meeting.**

**Military Preparedness**

BRIGADIER GENERAL FRANK S. DICKSON.

COLONEL JOSEPH B. SANBORN.

COLONEL MILTON J. FOREMAN.

CAPTAIN EDWARD A. EVERS.

**NOVEMBER 11.—Two Hundred and Forty-ninth Regular Meeting.**

**Proceedings and Procedure in Congress.**

CONGRESSMAN JAMES R. MANN.

**DECEMBER 9.—Two Hundred and Fiftieth Regular Meeting.**

**Views on Military Preparedness as Modified by Texas Campaign.**

MAJOR ABEL DAVIS, ILLINOIS NATIONAL GUARD.

COLONEL MILTON J. FOREMAN, ILLINOIS NATIONAL GUARD.



## THE COMMERCIAL CLUB OF CHICAGO

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**JANUARY 13.—Two Hundred Fifty-first Regular Meeting.  
Work of Federal Trade Commission.**

HONORABLE EDWARD N. HURLEY, CHAIRMAN OF THE COMMISSION.

**FEBRUARY 10.—Two Hundred and Fifty-second Regular Meeting.**

**Military Training in Camps and Schools.**

MAJOR GENERAL THOMAS H. BARRY, U. S. A.

MAJOR PAUL B. MALONE, U. S. A.

CAPTAIN EDGAR Z. STEEVER, U. S. A.

**APRIL 7.—Two Hundred Fifty-third Regular Meeting  
Government and Business.**

HONORABLE PAUL M. WARBURG, VICE-GOVERNOR, FEDERAL RESERVE BOARD, WASHINGTON, D. C.

**MAY 5.—Two Hundred and Fifty-fourth Regular Meeting and Thirty-ninth Annual Meeting.**

CLOSED MEETING.

**Consideration of reports of Officers and Committees  
for Club Year 1916-1917.**

### NOTE

(From Year-Book of 1909)

The list of meetings and subjects gives only an inadequate idea of the activities of The Commercial Club and The Merchants Club, but indicates that they have extended over municipal, state, and national affairs, and have included governmental, commercial and educational, moral, charitable and esthetic subjects.

For many years The Commercial Club confined its efforts to discussions and suggestions, with a distinct policy not to take up and, as a Club, conduct any particular work, and only occasionally has it departed from this policy.

Of the two hundred and eighty-three meetings that have been held by the two Clubs, it is within bounds to



say that each one has helped to forward some good end, and many of them have been the initial and moving causes of important accomplishments. It would be invidious and almost impossible to estimate the relative value of these meetings or say which was the most important, bearing in mind that, in any great permanent work, the prime necessity is for forming public opinion before there can be any accomplishment.

Perhaps the meetings from which The Commercial Club's influence was most directly and speedily felt were those that resulted in founding the Chicago Manual Training School; in presenting to the United States Government the site for Fort Sheridan, and, to the State, the site for the Second Regiment Armory; in the prosecution and punishment of certain county and municipal officials; in the original efforts for legislation for the Drainage Canal; in its early advocacy and support of the World's Columbian Exposition; in raising endowment funds for the Illinois Manual Training School at Glenwood and the St. Charles School for Boys; also in presenting to the city a site for public playgrounds at Chicago Avenue and Lincoln Street. The meetings from which The Merchants Club's influence was most directly felt were those that resulted in establishing the First State Pawnors' Society; in the inquiry into the City's accounting methods that resulted in new and improved systems; and most of all, in its earnest efforts to amend the general school law in order to provide improvements in the system of public education; and in the inception and development of the Chicago Plan, which work was later continued by the united Commercial Club and Merchants Club. The joint effort of both Clubs resulted in presenting to the United States Government a site for the Naval Training School at Lake Bluff, and in establishing a street cleaning bureau for the City.



These and other philanthropic and public-spirited works of these two Clubs, now merged into one, have involved the collection and disbursement of more than a million of dollars, and have been potent in many reforms and improvements.



Proceedings of Regular and Special Meetings  
Club Year 1916-1917

The Commercial Club of Chicago

THE COMMERCIAL CLUB, ORGANIZED 1877  
THE MERCHANTS CLUB, ORGANIZED 1896  
UNITED 1907

- Special Meeting . . . . . Military Preparedness.  
April 27, 1916.
- 249th Regular Meeting . . . . . Proceedings and Procedure in Congress.  
November 11, 1916.
- 250th Regular Meeting . . . . . Views on Military Preparedness as  
December 9, 1916. Modified by Texas Campaign.
- 251st Regular Meeting . . . . . Work of Federal Trade Commission.  
January 13, 1917.
- 252nd Regular Meeting . . . . . Military Training in Camps and Schools.  
February 10, 1917.
- 253rd Regular Meeting . . . . . Government and Business.  
April 7, 1917.
- 254th Regular Meeting and 39th Annual  
Meeting (closed) . . . . . Presentation of Annual Reports.  
May 5, 1917.







## SPECIAL MEETING

THURSDAY, APRIL 27, 1916

Open Meeting: President Forgan Presiding

Invocation: Reverend John Timothy Stone

### PROGRAM

#### MILITARY PREPAREDNESS

Brigadier General Frank S. Dickson

The Adjutant General, State of Illinois

Colonel Joseph B. Sanborn

Commanding First Infantry, Illinois National Guard

Colonel Milton J. Foreman

Commanding First Cavalry, Illinois National Guard

Captain Edward A. Evers

Illinois Naval Reserve

**PRESIDENT FORGAN:** In these days of anxiety over our country's unpreparedness to meet world conditions that may develop, it has seemed to your executive committee most desirable that the attention of this club, and through it, the attention of the entire business community, should at this time be directed to the all important subject of military preparedness.

For this purpose we have invited as our honored guests on this occasion some of the officers of our National Guard who are engaged in the self-sacrificing work of endeavoring, under many difficulties, to maintain some degree of military preparedness in our own state.

We have asked these gentlemen not only to give us some account of the success or lack of success in their past efforts to maintain the full numerical strength and efficiency of the regiments under their command in the different branches of the service, but also to tell us of the



problems now confronting them and how we as business men can assist them in their commendable efforts.

The issue is a live one at this time and we are all vitally interested in it. I can assure our guests of our hearty sympathy and co-operation before they ask them. Some of us may be too old to enlist for active service but we can all help in many ways and what we desire to know from their experience is how best we can help the good work along.

I have now great pleasure in introducing to you a gentleman who joined the service twenty years ago and who by his devotion to the cause and his indefatigable efforts has risen step by step from the position of a private in the 4th Infantry to the high position of Adjutant General and Chief of Staff for the State of Illinois.

During the Spanish War he served with his regiment in Cuba. His service to his country has not been wholly a military one as some years ago he served a term as a member of Congress. He not only has the confidence of the National Guard of Illinois, but is in good standing with the War Department at Washington, where his advice is frequently sought.

Gentlemen, I present Brigadier-General Frank S. Dickson.

**BRIGADIER-GENERAL FRANK S. DICKSON:** Mr. Chairman and gentlemen: I suspect, at least I have my suspicion, that if it were not for the particular official position that I happen to occupy with relation to the discussion of the National Guard and the Naval Reserve matters on this occasion, that I should not have had the pleasure of being here, for, surely, it is not because of any oratorical ability as compared with a number of other gentlemen present, including our aquatic gentleman seated at the table with me, Captain Edward A. Evers, or compared with Colonel



Joseph B. Sanborn, or the philosophic apostle of preparedness, Colonel Milton J. Foreman; not to mention a good many others. I am frank to say this to you, gentlemen, particularly in reference to Colonel Foreman, because of his long acquaintance with you gentlemen personally and his reputation in the state as an orator. He has many imitators, a few equals and no superior.

As a matter of fact I think it is fair to you and to myself if I suggest that it reminds me of an experience that came to me a number of years ago when I had just left law school and ran for prosecuting attorney in my home county down in that part of the state probably very little known to some of you, and certainly not to those who are not in politics, which is colloquially called Egypt.

The first meeting we held was in the rural community. I had agreed to be there and had been assured of a big crowd and I was asked to make a half hour's speech. Well, I talked for an hour and a half longer than I understood in the retiring room a few minutes ago that I was to be allowed to talk here.

When I was finished a good, strong, hearty, hale looking horny-handed son of toil came up to me and said: "Young fellow, I want to shake your hand. I have been voting the opposite ticket to you for nigh onto forty years and never scratched the ballot. But if I live for this election, I will promise to vote for you as county attorney."

Well, naturally I cast about for the reason that had engendered such enthusiasm and I inquired. "Well," he said, "I have been attending political meetings in this neck of the woods for nigh onto half a century, and I will tell you, young fellow, why I will vote for you. Because you are the first fellow I ever heard who has told the truth.

You started out by assuring us this evening that you could not make a speech, and, by gosh, you can't."



And, my good friends here, Mr. President and gentlemen, I feel that, notwithstanding that, I cannot rob myself of the appreciation of the military and naval services in Chicago at the honor you have done us in the service of having this special meeting in order that we may, even in our inadequate way, present matters to you that vitally interest us.

I do not expect to talk on the general proposition of preparedness. That, as I understand, has been presented to the club by that man who, I think, in all the United States is best prepared as a soldier and as a scholar to present it, Major-General Leonard A. Wood. Any discussion at this time before this club would be purely academic. And knowing that, I would say you have all this wonderful store of information already in your possession and I need not attempt to repeat what he has said.

The question, Mr. President, I am to talk to you for a few minutes about is more particularly with reference to what the military and naval forces in the State of Illinois that we are asking you to co-operate with have done; how it is handled, of what it consists; how it runs, and what the relations are between the military service of the government and the military service of the state. And understand me when I say, "the military service of the state," as including the naval service as well. A discussion of that kind, however incidental and disjointed it may be, will be from a viewpoint that I am acquainted with and is something that you probably know little about.

The National Guard and the Naval Reserve of this state, of course, had its inception a great many years ago and it has struggled along ever since. In its young days, when I was merely a private, we had to buy even our own uniforms. The whole idea of military service at that time was to keep a straight line on Governor's day at Camp Lincoln at Springfield. That is about all it amounted to.



That was the climax of our military training and our military efficiency.

That condition prevailed very largely almost up to 1898 when the Spanish-American War broke out and we heard the service call. What did we find at that time? We found that when we mobilized at Springfield at that time for the Spanish-American War there was not sufficient tentage in the State of Illinois to house one regiment for fourteen days. When the government issued the call through McKinley for men to defend the honor of this country through the Governor of Illinois there was not enough in the armories of this state to provide a sufficient number of rifles, or meat cans or artillery or military equipment of all kinds and character to send two regiments into the field alone out of the call for eight as the quota of Illinois to fill in that call to actual service. And when we mobilized at Jacksonville, Florida, to go to Cuba there were as many calls for all kinds of organizations as there were regiments. It was a chaotic and deplorable condition.

I did not intend to enforce this academic discussion of that situation on you gentlemen, but those of you who were not there and not in close touch with the situation have no idea what this government would have been up against if in the inception of the Spanish-American War we had had a real foe to fight. The condition was absolutely indefensible and chaotic.

Now, growing out of that experience, the general Congress passed in 1903 the so-called Dick bill, taking its name from Senator Dick who, at that time, was Chairman of the Military Committee of the Senate. That bill, in brief, provided an appropriation of something over two million dollars to be allotted among the several states for military purposes on the basis of the members in the lower and the upper houses of Congress conditioned, under that bill, upon the states within a period of five years — afterwards



extended to seven years by amendment — making the state military service conform to the regular army standard in three particulars: organization, equipment and discipline.

That legislation was the outgrowth of the chaotic condition discovered in the inception of the Spanish-American War. Since that time several states have been striving to conform to the regular army standards in those three particulars. We conform absolutely in Illinois in the matter of organization; we conform absolutely in Illinois in the matter of equipment. We differ in the matter of discipline, because that means training, and we never can hope to successfully drill on the basis of one hundred per cent efficiency according to regular army standards, naturally.

That is a serious business. Our fellows have something else to do in the infantry. But, so far as may be approximated, the whole trend of the training is towards that approximation.

The allotment to Illinois by the legislature of appropriations by the legislature of Illinois is \$181,000 per annum for regimental training in the way of military equipment.

You would be surprised if I should tell you, gentlemen, that tonight out of a million and a half dollars appropriated for military equipment, less than eighteen thousand dollars is appropriated for the State of Illinois. Three thousand two hundred and ten overcoats is all we have, and the rest is government militia property drawn from the regiments in the State of Illinois on requisitions of the Governor, for which we make an annual property return, accounting for everything, from gun screws to cannon. That money is also used not only for equipment, but in part payment for the payment of officers and men in the summer encampments under the conditions laid down by the Secretary of War.



## SPECIAL MEETING

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We have in this state eight regiments of infantry and six regiments of cavalry and six batteries. Or, in other words, a regiment of field artillery for every one of the headquarters. Two field machine companies, one single company, and one engineer company, and ten divisions of naval reserves. Did I leave out any? If I did, you gentlemen can correct me.

The total strength on peace footing is approximately 71,000 men in the land forces, and approximately 800 in the naval force. That varies, of course, from time to time.

The State of Illinois appropriates — and I mention this, of course, because some of you gentlemen have no doubt many calls that are made upon you by different organizations for contributions for this, that and the other which the state does not pay anything for — the State of Illinois appropriates for the maintenance fund for those forces the sum of \$389,917 per annum. That is for rent, light, heat, janitor service, postage, supplies, pay for officers and men, transportation, forage and hay and so forth, to supply the horses on their journeys over the dusty roads for which Colonel Foreman gets so many testimonials, and all that sort of thing that you see in the newspapers now and again; and all the general expenses of our forces.

The state owns at the present time twenty buildings for military purposes, armories, barracks, storehouses, and so forth; of the value of \$1,669,416. Until five years ago the total military property in the state in the way of armory buildings and so forth was represented by the sum of \$250,000.

We have bought within the past eighteen months \$60,000 worth of field lockers. The Major will take them away from us if we do not have those properly protected and tell what it is, so we have a man keep a record of those things.



A gentleman, just before I came in here tonight, asked me if I would not say in this connection something about the apparent necessity of many of these organizations asking for contributions for this, that and the other purpose. I would not have touched upon this, but the gentleman was very, very earnest in his desire to have me explain that, because he said that a number of other gentlemen had raised that question oftentimes and it is thought that it would be a good thing for the business men to discuss appeals for contributions, and so forth, from different organizations.

Now in this state the appropriation has been the same for the past four years, while the number of our organizations and the men in our organizations have materially increased. For instance, we have had three complete new batteries of field artillery, three of those being raised in the the stock yards district, trained in the Dexter Pavilion west of the University of Chicago. And the government is insisting all the time on our increasing our forces, not only the numerical forces, but the efficiency. They want us to organize an ambulance company, an aerial squadron, and so forth. In practically none of those organizations have we found the appropriation sufficient to entirely cover all of the necessary military expenses.

I will cite one regiment, without naming it, for which the general maintenance appropriation for the regimental organization was so small that in that regiment there was only \$15,000 to be applied for maintenance purposes, and it cost \$21,000 to maintain it. That amount had to be made up. They could not keep up the sub-ranges at their armory and so forth.

But I want to show you some of the serious difficulties in this proposition, and when I show them to you I do not do so because I am finding fault with the general assembly, because our appropriations have risen by leaps and bounds in the past ten years; more than doubled in the past ten



years. But I do hope the day may come that it will not be necessary for a single organization to go to a single business man as an individual, I mean, and beg of him a single contribution for a single military purpose. I do not think it is right; I do not think it is fair. I want to say to you, gentlemen, very frankly, that the organization commanders do not like to do that sort of thing. It is not befitting the dignity of the military service. And I hope the time will come when the general assembly will be sufficiently generous in their appropriations so that that part of it that you do not come in contact with will be entirely done away with.

Now as to the question of the method of the expenditure of the public appropriations. I was asked that question before I came in and asked if I would explain that. It is done upon vouchers, duplicates of which are on file in my office, all of which must be O. K.'d by me before they are paid. The originals are on file in the office of the auditor of public accounts. Those are public documents and anybody can see them at any time. Biennially a complete report is published, that is, every six months, and I submit to the government a full, complete report of the expenditures that have been made. That is a public record and can be seen by anybody who is interested, and I want to say that any time any gentleman here or any other citizen desires the information about any particular part of it, I shall be very glad to give him all the information that the records may yield.

I compared for your information the efficiency of the force of today with the efficiency in 1898, and the difference is so marked as to be almost unbelievable. I have said that at the inception of the Spanish-American War we did not have enough tentage to send one regiment into the field. Now, let me say, we have in the arsenal in Springfield sufficient equipment, and enough tentage housed in



the arsenal to send for all of our troops, more than we have, and probably enough to send for all of the regiments that we have in full strength into the field. We have full organizations, full equipments, full merchandise, housewives, wirecutters, that is no fancy reference. That means: needles, pins, threads, and all that sort of thing; soap, towels, tooth-brushes, combs, slickers for the cavalry complement, the complete men's outfit. These organizations have those things in readiness and are prepared to go into active service with them. In addition to that we have all the field wagons with four sets of harness for every wagon stored in the storehouses at Springfield for all of the organizations in the state. So that you will see that through all these years we have been steadily growing in efficiency so far as the physical equipment is concerned.

And the standard of physical requirements for enlisted men, the standard of efficiency for commissioned officers has risen by leaps and bounds throughout those years, until today we have in the State of Illinois the same physical requirements when mobilized that they have in the regular army.

It is absolutely necessary and mandatory to attend the correspondence schools for the officers nowadays. In the olden days when the officer got through with his drill he would do just what happened to please him, and he would take about three weeks before he would get ready to go to the camp. But I wish to say to you today that those men who are officers in the National Guard and Naval Reserve in this state, a captain commanding a troop, or company, or whatever it may be, cannot stay in the organization if he does not spend from one to two or three nights a week in his armory or has given time to the organization or in the encampment with the correspondence school.

The army officers who are on duty in this state will bear me out in this statement: that the men who devote their



time to this work deserve the encouragement of men of standing such as are represented here at this time. This force is not a plaything. I have been in the mill now for twenty-two years and on Memorial Days I have gone through the streets of Chicago and heard a lot of chaps sitting in the barrack room windows drinking martinis and talking about "tin soldiers." If that was true at one time it has ceased to exist. It is not a plaything any more. It is a live, virile business proposition, and it is true that instead of holding the notion — well, I don't want to ruffle anybody's feelings, but I want to say to you here, that I believe that the man who lives in Illinois owes a duty of citizenship to the State of Illinois as well as he owes the duty of citizenship to the United States of America.

I haven't much patience with the man who says: "I won't enlist in the National Guard organization of my state, but I will enlist in the federal reserve and serve my government in time of war." The troops of this state have been called into active service in this state more times in the past seven years than in the entire preceding history of this state since its admission into the Union in 1818. What for? Not to serve our individual purposes necessarily; not to grind any individual axe of the officer that is called. No, sir. But at some place in the State of Illinois laws have been violated, life and property has been endangered and destroyed. And the civil institutions under the forms of the law have thrown up their hands and said: "We have a situation here that we are unable to control," and have called upon the strong arm of this government, which is your government just as it is mine. Sixteen times in the past six years the Illinois National Guard and Naval Reserves have responded to the call and have done their duty efficiently and well, and have turned back to the civil authorities the reins of government in the local communities. And I want to say to you that the men



who sacrificed their time and their interests and shouldered the obloquy that came through all these years for that sort of thing deserve and merit encouragement from every law-abiding citizen of this state. And the fact that we undertake to perform that duty for our state, gentlemen, does not make us any the less efficient, or any the less ready and willing to perform our duty for the government that we love wherever that duty may be.

While I am on that point I want to speak a word about the proposition of persons who attend the legislature. And I don't want to be misunderstood upon that. I happen to represent this Middle West on the executive committee of the National Guard Association, and I have been accused recently of—what is it they call it? Invidious lobbying, whatever that is. And I want to say to you, as I said before the Military Committee of the House and Senate, that the position of the National Guard on national legislation is this: We are for materially strengthening and maintaining the regular army of this government. We do not pretend to fix the size of it, because we are not experts on the regular army. I would not pretend any more to do that than I would attempt to run Mr. Forgan's bank. But in addition to that the National Guard of this government stands for any proposition and every proposition that consummates a good and well-advised plan and that will work out a practical plan to secure better national defense, whatever the proposition may be called. The only thing that we do insist upon, and I think in all candor and fairness you must agree with me, is that this organization which has been in existence for these many years, and which has toiled and sacrificed under the most adverse conditions through all these years — when many gentlemen who are now tearing their shirts about appropriations for which there is no apparent necessity at all, but that an organization, with that record behind it and with that



struggle which they have gone through shall be considered as a potent factor in any scheme of national defense, whatever else might be considered along with it.

Of course, you understand the legislation that has passed the House and which has passed the Senate and is now in conference, or will be shortly — I speak from the viewpoint of the National Guard as to that legislation, but as to the rest I express no opinion. It proposes to do this: It proposes to organize the organization and the training and the equipment of the National Guard in the several states, to be handled by the federal government. That is, to secure uniformity, co-ordination and systemization, and to do away with the possibilities that confronted us in 1898. It provides a six year term of enlistment, three for active service and three in the reserves. And in order that it may be a feeder for the military forces it embraces what is called the Junior Guard. In other words, it provides machinery whereby boys in the grade schools up to the age of eighteen years may get training in the public schools in military discipline. That cannot be compulsory, as you know. But it provides the machinery, and it will be made so desirable and attractive that that will naturally be the result. It provides a reserve from this service after the three years of active service.

It provides also that the President of the United States may say to a state what arms of the service and what units of those arms the state must preserve and maintain. What I mean is this: That the units of this force when called into the federal service shall not be of infantry and of cavalry, but the President may say to the State of Illinois: "You are required to furnish so many regiments of infantry and so much cavalry and so much field artillery," and so forth. So that when called together they shall all be co-ordinated and trained and equipped, and you will have a well-balanced force; the force that the military



experts of this government say is the proper balance in order to maintain effective warfare.

Then the legislation provides for double enlistment. It provides enlistment for every man in the service after he has gotten in under the same regular physical requirements as obtain in the regular army, so that we won't have at the present time what transpired in 1898 where thousands of Illinois men entirely willing to serve were taken to Springfield and rejected after a physical examination and that time lost necessary to fill out the ranks with new recruits who possess the necessary qualifications. And so we shall provide that during the service of the National Guard of Illinois if the man is called into the service of the government he will be able to serve three years there in active service unless he produces his discharge by the President of the United States.

There is also attached to this legislation what is known as the militia pay proposition. That is a misnomer. It is a reimbursement proposition. That requires forty-eight drills, with a minimum provision of twenty-four. It gives to the enlisted man approximately one dollar per drill, provided he attends not less than twenty-four of the prescribed forty-eight drills.

That is a measure, gentlemen, which has been designated as the pork barrel measure of the National Guard; almost in song and story it is called the pork barrel measure. That will cost the government at the maximum about twelve million dollars a year, for which they propose to maintain, train and so forth, and organize approximately 280,000 young men.

I live up on the North Side. I belong to Colonel Sanborn's regiment there. For all the years that I have been in that regiment, I will say, on my drill nights I have sacrificed my pleasure every evening, I deprived myself of the pleasure of my family and either go back there from



my home after coming downtown, or I stay downtown and go in and get lunch and go down to the drill for two or three hours, as the case may be, and not go home. I am urging the men to go into the rifle brigade. We pay their transportation to the rifle range and they pay their own expenses and give their own time. Now it does appear to me to be a simple proposition that the man who is willing to sacrifice his time and his social duties and his business interests in order to acquire at least a reasonable opportunity for military efficiency under the provisions that the government is able to make under the conditions that the government imposes ought not to be penalized by having to go down into his own pocket to pay for the privilege of doing it while some other people stand on the street corners and do nothing themselves but find fault with the other fellow for doing it.

Well, that is the legislation that is proposed and that is all it amounts to, and that is the purpose of it.

Pardon me, Mr. President, I have already talked longer than I should have talked. I apologize to you for talking so long, but I am just so earnest on this proposition that I do not want to and I would not want to make a big speech about it, but what I want to try to do is to let you gentlemen here, who are the representative business men of Chicago, know what the facts are about the National Guard, and what the service is, and what they have been doing, and how much they have been doing. And so I just want to simply say to you this, to submit to you this proposition: Don't you think that the progress that has been made, with the labor these men have gone through and the difficulties which have confronted them, and the time that they have sacrificed, and the sacrifices that they have made justify you, gentlemen, in co-operating with them in the performance of their patriotic duty? These boys are willing to do it; these officers are willing to do it.



Colonel Sanborn has been equal to the duty, and these regiments have been in this work for so many years that the calendar has run out. They are willing and anxious to perform their duty to their state and to their government. And all in the world that they ask of you gentlemen is your co-operation in a patriotic way to assist them in making their burdens lighter.

You employers, you bankers and you wholesale men, and so forth, you have got young men in your organizations, in your stores, in your banks and so forth, and this federal legislation when it is passed is going to mean that we must double the National Guard of Illinois in numbers. Now, what are you going to do about it? I would not say that you had a duty to perform, but, gentlemen, you have a privilege to exercise. And that privilege is to see, among other things, that the young man in your employment will want to perform his patriotic military duty; to prepare himself in a reasonable degree, at least, in an hour of efficiency against the hour of emergency; and, rather, that he will have your encouragement instead of your discouragement.

I have no personal application in talking to you on this particular proposition. But, Mr. Employer, one way you can help — you asked me the question: How you could help — is to encourage the young man in your employment who wants to go into the military service of the state or the nation, to pat him on the back and say: “That is the patriotic thing for you to do. You go ahead, and we, your employers, will stand behind you and complete your education.” That is one thing you can do.

The two greatest struggles we have had in Illinois since it has been organized has been the struggles between organized labor, on the one hand, and the employers, on the other. I don’t know which has been the worse. I say that frankly. I do not say that bitterly, but that is the truth, and I know what I am talking about. In a large



measure we have solved one phase of that to such an extent that the United Mine Workers of the state, who were the most bitterly opposed organization to the militia, said ten days ago in their state convention at Peoria by the unanimous vote of their executive committee through the resolutions committee, and without a dissenting vote in the organization — it has absolutely abrogated a clause in their state constitution which prohibited any of their members affiliating with the military service of the state. That was the outgrowth of an occurrence where they expelled five men from the Hillsboro Union when they went to join the summer camp.

Mr. Employer, Mr. Business Man, won't you come down with your help and help us out? Won't you get behind the young fellow in your employ and get him into the military service of national defense, into the patriotic service, instead of discouraging him. And instead of discouraging him, won't you say to him: "We will see that you get your time in it, so that when you come out from performing your patriotic duties as a citizen you won't be penalized by me for doing it."

If you will do that, then you will help along the military service of the state and the nation. And in Illinois we then shall be able to rest in the belief that we shall be able to give a force which we can present to the government that will be as effective as the troops of Illinois have always been.

It is the pride of every citizen of Illinois that her soldiers stood for something. Away back in the Black Hawk, and at the Appomatox, and in Cuba and in Porto Rico and the Philippines, Illinois regiments have marched, and they have marched across the sunbaked plains of China, carrying Christian civilization into old Peking, and demonstrating that their progenitors bred true men. And Illinois today is no different in its patriotic impulses or in its willingness



to do its full military service for the nation than it was in the days past.

You may talk about the pacifists all you want. You may have your opinion as I have mine, but I want to tell you this: It is my idea that after all is said and done, gentlemen, it is your patriotic duty to co-operate in every way in your power that we may have in Illinois created an organization sufficient and numerically effective as a fighting force against that hour of emergency that you don't know when it may come, nor do I. And if we read the history of the past we know that instead of being met with slurs and innuendoes, we are justified in asking that these young fellows who want to be soldiers should be encouraged in their patriotic loyalty, because it is the soldiers and the sailors alone to whom we owe our existence as a nation. They are the fellows who add to the growth of the nation through paths of peace and who in the past have been called upon to give their lives in heroic martyrdom in the defense of Christian civilization. And you gentlemen who represent the best and the most advanced of the business interests in Chicago can do your part in making it possible for the boy of today and tomorrow to show to the world in the time to come that he is as patriotic and loyal as his progenitors before him.

**PRESIDENT FORGAN:** The next gentleman who will address you enlisted in the First Infantry thirty-six years ago. His rise in the regiment from private to colonel has been by the successive steps of corporal, sergeant, second-lieutenant, lieutenant, captain, major and colonel. He has commanded the First Infantry for the past eighteen years.

During the Santiago campaign he commanded the First Battalion of the First Infantry. At present he is the senior colonel in the State.

It is recognized in National Guard circles and the War



## SPECIAL MEETING

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Department that the high standard of efficiency of the First Infantry is due to his persistent application to duty and devotion to the regiment.

I have much pleasure in presenting Colonel Joseph B. Sanborn of the First Infantry.

COL. JOSEPH B. SANBORN: Mr. Chairman and gentlemen: It is not within my province to discuss the question of national defense, the relation between the federal government and our state, nor any of the general principles underlying the scheme of getting the country prepared for future emergencies.

The subject assigned to me relates to the necessities of the National Guard as a federal and state force and especially to the conditions existing at the present time in the city of Chicago with a possible suggestion as to the means of obtaining possible relief. I cannot more forcibly place this matter before you in concrete form as affecting the entire National Guard than in relating briefly the experiences of the First Infantry during the many years I have had the honor to be connected with that organization.

The First Infantry came into existence in 1874, two years before the first militia law of the State of Illinois was enacted, and for upwards of twenty years thereafter no difficulty was experienced in keeping the ranks fairly well filled with men. There were no special requirements, no rigid system of inspections and instructions other than to insure a working knowledge of the drill regulations. During that period there thrived throughout the country large numbers of independent organizations, wearing showy uniforms, under no special regulations and without systematic training. As conditions gradually changed, these organizations disbanded or became amalgamated into the National Guard, where the more enthusiastic members found conditions more to their liking.



Efficient volunteer organizations, even when directly under the training of professional officers, cannot be made in a day or a month or a year, and under other conditions it takes many years to build up a regiment of competent officers and trained men.

Taking the First Infantry as an example, intelligent private soldiers after one term of three years' enlistment are selected upon the recommendation of their company commanders, examined as to their qualifications and if found fit, are appointed. From these non-commissioned officers after eight or ten years of continuous service are selected the officers. They can qualify only by passing a rigid examination as to their mental qualifications and moral standing. There is not an officer in the regiment that has not passed through this course. The result is a thorough knowledge of their abilities, the assurance of perfect team work, and a standard which cannot otherwise be obtained. Work includes not only attendance on drill nights once every week, other nights for indoor rifle practice, weekly attendance at schools and from April 1 to November fieldwork or work on the rifle range at Camp Logan nearly every Saturday afternoon or Sunday until the close of the season.

The young man who is looking for only the fun he can get out of it does not last long.

When war is imminent, numbers of the non-commissioned officers of our regiment will be instructing recruits in training camps occupying the same position as the non-commissioned officer of the Dominion troops of Canada, all of the regiments having been sent to the front and all of their officers with them.

In the years of our existence we have had many problems to solve, many difficulties to overcome. In all these years we have had the hearty co-operation of the big men of Chicago. The armory, which is our military home, was



given to us by the men of Chicago. Through the generosity of one man we have a ninety-nine year leasehold of the ground on which the armory stands at a very low rental. It has been the ambition of our regiment, and I presume it is the ambition of every other regiment, to be an efficient military force when our service is required.

What makes a regiment efficient? Discipline, military training, equipment and the numerical strength required.

The officers of the regiment are competent to impart the necessary instruction and they freely give up the most of their spare time to that end.

They stand ready to meet every requirement in that direction.

The discipline of the organization has never been questioned.

The most serious criticism that federal inspecting officers have ever made has been lack of full companies, and that applies to practically all of the infantry organizations in the state.

It is absolutely impossible for a company officer to devote sufficient time to the instruction of his company and at the same time be hunting the city over for recruits.

A company of infantry cannot be properly instructed, especially in field work, with a minimum of less than 65 enlisted men and non-commissioned officers.

We are most deficient in our numerical strength. We require men.

If called into service, we want to go as a complete regiment, composed of men who have had a certain amount of training under the supervision of our own officers.

The First Infantry needs at the present time approximately 300 men to fill up the recently authorized supply and headquarters companies and to fill vacancies in companies of the line.

As soon as the contemplated laws now under discussion



are passed, present regiments will no doubt be required to maintain a strength necessary for war service.

The business men of Chicago have in the past responded promptly to every request we have put before them, and it is natural at this time when a serious problem confronts us that we again come to you.

There may be some foundation to the statement that in times of war thousands and millions of young men would be ready to respond. But of what military value would such an army of men be?

The opportunities for training in the National Guard are quite limited, but such training helps the efficiency of an organization. To put a regiment filled with green men into actual service is murder.

It is my belief with your aid it is possible for our regiment and the other regiments to fill up the ranks so that with the advantages offered by the new federal legislation, the National Guard can be made a fairly efficient fighting force.

A new kind of patriotism must be instilled into the minds of our American people. They must understand that American citizenship carries with it responsibilities and duties. Our young men might be made more patriotic than they are. More attention to patriotism should be given in our public schools. But we cannot wait until a new generation comes who will be more responsive to the call of duty. We need young men now, who in times of peace will be willing to give some of their time and effort to prepare themselves and their country for war.

What are our difficulties in filling our ranks? Since preparedness has become a daily topic for discussion, a new situation has arisen which has handicapped us in our work of securing enlistments. Prompted by a patriotic spirit, but in a misguided way, a number of houses have established their own volunteer forces. We hear of the Smith riflemen



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and the Jones reserve corps. I know of one instance where a firm has appropriated \$5,000.00 to organize a volunteer force among its employes, ready to tender such "force" in case of war. It means all that is expected of those enrolling is to attend an annual encampment, lasting a week at the expense of the firm; something in the shape of a picnic, a summer holiday. No responsibility to the state or to the government. Nothing except an erroneous notion that a service to the country is performed by enrolling one's name on a roster. The uninitiated, uneducated from a military sense, feels that all that is required of him is his readiness to serve. Why join a National Guard organization where one must attend weekly drills, practice indoor gallery shooting, spend a number of Sundays during the summer on the outdoor rifle range, attend military camps where hard service must be performed, when in place of that, a pleasant association with one's co-workers can be had and a feeling of joy that one is rendering his service to his country. Not only do organizations of this kind accomplish no good, but they positively do harm to the effort to build up our National Guard organizations.

We have another difficulty. The fear in the mind of the young man that he is displeasing his employer by joining the National Guard. Foremen, superintendents and department heads frequently do not take the time to ascertain the attitude of the firm and resent the fact that some young men in their employ take the time required for summer encampments and other duties. It soon becomes known in that kind of a house that it is a disadvantage to belong to a National Guard regiment. No more recruits can be obtained from that establishment.

I blame the officers of the National Guard for this condition because we have never called the attention of employers to the situation as we have known it to exist for years. We are calling your attention to it now. We are



asking that through some means best known to you, you make it known to the young men in your employ that service in the National Guard will not handicap them in their positions, that on the contrary honorable service in a regiment will help them. That in responding to any orders from their superior officers requiring their absence from their places of employment, they will not lose their pay.

It is a fact that service in a National Guard organization helps a young man in his place of employment. It keeps him off the streets, it teaches him to obey orders and perform the duties assigned to him without question and to get results. It vastly improves his physical condition, gives him wholesome employment and interest in leisure hours and instills into his character principles of truthfulness and honor. Among the graduates of our regiment are some of the leading business men of Chicago. Many are members of your Club, men who have served in the regiment with me. Some of our officers who have risen from the ranks occupy most responsible positions in this community. We have helped every young man who came to us if it was in his make-up to be a man.

It is not of much weight when we as officers of the regiment preach this truth to the young men of Chicago. It will be of inestimable value when you, the employers of young men, state this truth to your employees.

Whatever means you may adopt to bring about the required results, we want you to take our statement, based on our experience in our efforts to recruit up our regiments, that we need you business men as much as we need the young men themselves. In fact, I have reached the conclusion that we cannot get the young men unless we get you first.

We officers and men of the National Guard feel that we are doing only our duty by giving ourselves to the service. We know that you want to do yours. Can we not work



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together to carry out the seeming adopted policy of our country that our organized forces shall come from the voluntary enlistments of young men into the ranks of the National Guard?

It is up to you, the employers of men, to decide whether you will meet the requirements of this situation in an effort to avert possible war, or wait until your sons and employees are forced into compulsory service by draft when war is upon us.

**PRESIDENT FORGAN:** Gentlemen: The next gentleman who will address you began his work in the Naval Reserves as a seaman 18 years ago.

His promotion has been gradual through the positions of Ensign, Second Lieutenant, Lieutenant, Commander and now Captain. During the Spanish War he saw service on the United States Steamship Indiana and he is now commanding officer of the Illinois Naval Reserves, a position which he has held for the last five years.

I take great pleasure in presenting Captain Edward A. Evers of the Illinois Naval Reserve.

**CAPTAIN EDWARD A. EVERS:** Mr. Chairman and members of the Commercial Club: General Dickson and Colonel Sanborn have so thoroughly covered the field of the subject of the military forces of the State of Illinois that there is really very little left to be said. The Naval Reserves have very much the same trouble that the National Guard has had, except for the fact that I am glad to say that our membership is full, due to the fact that we have something the other men do not have, which is essential. And I want to take this opportunity to tell you a little bit about the work of the Naval Reserves of this state.

Our work is done out on the lake, and we don't take newspaper reporters with us, consequently you hear very little of us.



## THE COMMERCIAL CLUB OF CHICAGO

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The Naval Militia, or the Naval Reserves, as we call it — the proper name is the Naval Militia — was organized back in 1893. Our first home was the battleship which was exhibited at the World's Fair. At the end of the fair the government didn't know what to do with the ship and it was casting around for somewhere to unload it. And some enterprising persons in the state decided that it was about time that the State of Illinois ought to have a federal reserve, and one was organized, and they applied for the ship, and got it. We still have some of our old equipment that was on the Battleship Illinois, right down at our boat house, the boats and some of the gear, and are using them every day.

Later on the organization grew so rapidly that it was necessary to acquire quarters downtown, and we had a place on Michigan avenue for many years.

We struggled there from 1893 until 1901 to get some kind of a ship. In 1901 the government turned over the Dorothea, a converted yacht. We put in many cruises on her, but our capacity was very limited and our funds were always very limited, so we really got no further than Kenosha; but we were very glad to get that far in that time.

In 1909, after many efforts, with the help of Congressman Foss and a good number of you gentlemen here, we got a home on the good ship Nashville. She was one of the finest gunboats in the navy. She was so good that they would not let her stay with us. In 1911 they decided they would have to take her back, notwithstanding the efforts of General Dickson and Governor Deneen, and away she went. Then they turned over the Dubuque. The Dubuque is a very good ship, but smaller than the Nashville.

One of the requirements of the men at that time was to cruise on the Nashville, to take every man on an annual cruise. Well, on the Nashville we got as far as Buffalo,



and we really began to make some trips. We really began to train our men properly. When we got the Dubuque we did good work. But it was pretty hard for the commanding officers, because they had to cruise six weeks every year in order to take every man out for the required time.

In 1913 the government decided that the Dubuque was too good for us and they needed her down at Hayti, Santo Domingo and Vera Cruz, and we have been trying ever since to get another ship. I think we have succeeded partially and we now have a boat that is the finest gunboat in the navy. The only thing wrong with her is that we don't know how long it will be before they take her away. But she has one redeeming feature, and that is she is on the lakes, and she will have to go through the canal, and she is too big to do that.

Now to give a short outline of our work. We take men out of the factory or the shop or the store or the office, and take them down on board ship, fit them out in a blue-jacket uniform and give them a billet, a hammock and a clothes bag. The billet is a card on which is written what he does, when the bugle sounds "firequarters," and what he does when it sounds "galleyquarters," and so forth. In other words, it gives him his daily routine completely, and tells him in every detail just what he does at each bugle call, at each sound of the bell. We give him a place on board ship, three good square meals every day of first class, wholesome food; we get him up at five o'clock in the morning and make him turn out in his underwear and his bare feet and scrub decks for half an hour or so; scrub the paint work, and do a dozen and one other things before his breakfast. Finally he gets one of those real, good first class meals. And then, after standing around for half an hour or so, we turn him to the drill and he drills until 11:30; and after the mess, the noon mess, he drills again.

At the same time he is taught to steer the ship; to



box the compass; to heave the lead, to pull an oar in a boat, and to do all the things that a sailor ought to know.

But he only gets two weeks of this training, and consequently it is not possible to make him perfect. Our aim is not to develop perfect sailors. We have the most excellent naval training station in the world up on the north shore where we do develop the men and develop them right. But they keep them six months in doing it. Our aim is simply to teach them the rudiments of the game, teach them to respect and flag and to respect authority.

And that is where you gentlemen count in that respect, for the respect of authority proposition. The men of the military service of the state who are taught to respect authority are worth a whole lot to you. I have had several men come into our outfit that never heard the word "authority," and after two or three months training wherein they had to do what they were told, they were altogether different men. I have had employers say that they had noticed a marked difference in the men in their employ after they were in our organization.

Now in addition to teaching them how to live on board ship we also teach them how to fire a gun.

Right in the city of Chicago here, five miles out in the lake, we lay out a range for gunnery. The range is laid out strictly in accordance with the government requirements and a regular navy officer is detailed as umpire. We go out and conduct target practice.

Last year the naval forces of this state won the trophy offered by the Navy Department, and it is now in our possession, and we are working hard to keep it next year. We were in competition with twenty-six other naval militias of the United States, and we had to go some to win it.

We are very much in need of your support; not so much the support of the man higher up as the support of the foreman.



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We find that our men are mostly mechanics, and we find that the foreman or the superintendent objects to a man getting away for a cruise. When there is anything special on, sometimes, we want a man to get away for half a day for some special duty on ship or to take somebody out on a trip. For instance, some prominent man comes to town and we are asked to entertain him and we ask for some of the men to do it with, and we want them to get away. And we find that the foremen won't let them out.

We think you gentlemen could help us if you will talk to your foremen and explain to them that the men of the National Militia and the National Guard are of value to you and tell the foremen to let those men off when we ask for them, which we promise will not be very often.

I thank you.

PRESIDENT FORGAN: I feel that the next speaker hardly needs an introduction to the members of this Club.

His civic duties as an alderman in the City Council and chairman of the Local Transportation Committee of that body when the present transportation ordinances were being framed, brought him into contact with many of us and attracted the attention of us all. Some of us also knew him as chairman of the Chicago Charter Convention. While in the City Council he was recognized as the floor leader and made for himself a reputation as a strong executive.

So much for his civic life with which practically all of you are familiar. But he has been equally active in military affairs. He has served in the First Cavalry regiment as First Lieutenant, Captain, Major and Lieutenant-Colonel. During the Spanish-American War he was Captain and Quartermaster of the First Illinois Volunteer Cavalry.



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The First Cavalry is among the very few complete cavalry regiments in the National Guard service. Within the last thirty days the War Department, through the Division of Militia affairs officially complimented him and his regiment on the excellent showing made at the last regular army inspection in February of this year and they have received similar commendations from other sources.

I take great pleasure in presenting as the next speaker, Colonel Milton J. Foreman of the First Cavalry.

COLONEL MILTON J. FOREMAN: Mr. President and gentlemen: I presume it was to me that Captain Evers was referring when he spoke of taking the newspaper reporters along. But, gentlemen, I am very happy that I am at the head of an organization that is not afraid to.

I think that this meeting tonight marks a great effort in the life of the organization of the militia, not only of Illinois but of the United States. In my twenty-one years of service, nearly twenty-two, the word "militia" was considered as a reproach; and the man who dared to attempt to train himself for military duties was supposed to be doing something for which he should be reprimanded.

I consider this to be the most critical period in the history of the United States with respect to the military situation.

Let us consider a moment, first, the regular army condition. The mobile army of the United States, perhaps, has about 36,000 men, I mean, the mobile army that is in the continental limits of the United States. Something over one-half of it is strung along in intelligent communication with our well known neighbors in the country of Mexico, and it is not without possibility that the New York and Chicago police forces will have to be sent over to being them back.

It was a month or two ago, perhaps two or three months



ago, that the Congress of the United States, recognizing with that speed for which it is entirely and justifiably remarkable, that something might be done with respect to the army, passed an act providing for the increase of the army by 23,000 men.

You will recall the posters that were hung out: "Come and help catch Villa." They were hung on all the walls in front of the various recruiting stations, and the result was that in nearly two months something less than 5,000 men were enlisted and 3,000 men were discharged. So the net gain to the army of the United States was about two thousand men.

Now I apprehend that it is not of importance, gentlemen, whether the Congress of the United States determines that the regular army shall be 140,000, as provided by the Hay bill, or 250,000, as provided by the Chamberlain bill. They won't get them anyway to fight the enemy by statutory enactment. Fighting an enemy by statutory enactment has never been successful.

Why won't they get them? You cannot expect men to enlist for fifteen or twenty dollars a month when they can get sixty dollars a month some place else. You cannot expect them to place those entirely young men under the domination of the regular officers with respect to their meal times and occupations when they all have their afternoons and Saturday evenings and Sundays off. The patriotism of those men does not extend to that limit, in which respect they somewhat resemble the rest of us.

So it makes no difference what size you make the army, the regular army, as long as this country is prosperous, so long as its employment is of such a nature; you won't get the men.

We all agree that a large standing army sufficient for any emergency that might arise is not only undesirable, but it is ruinous. But, so large a standing army ought



to be provided and enlisted, if it is possible, as will be able to provide against situations such as have arisen in Mexico. We should, at least, have a professional army large enough to engage in expeditionary enterprises that require reinforcement by a hostile force, by a major general here and there. But what that will be is a matter which the wise ones in Washington must determine. But it should not and will not go any further than that.

Where then can we find our soldiers; where are we going to look for them? If we cannot get enlistments in the regular army and get a regular army sufficient for all purposes, where shall we get them and train them? It is easy to talk about universal training and perhaps that will come, but it won't come until we get a thoroughly good thrashing, a thing we have been needing for some time. And that is a thing which we all agree we richly deserve, if it was not so expensive and inconvenient.

The first plan for an army of this kind suggested was that called "the continental army plan." That was a plan suggested by the President of the United States, but as a matter of fact, as General Dickson will bear me out, the Assistant Secretary of War in San Francisco in November, 1915, declared it was the President's plan, and in that year he defiantly challenged in the Brooklyn speech Mr. Breckenridge's bill.

What did that bill provide? It provided that for three years successively 133,000 men should be mobilized until the total number of 400,000 was mobilized under the colors. That those men should have three months each year of intensive training. That after three years of this intensive training, that for three months of each year they were to be for three years in the reserves, and that during nine months of the year they were to wander about the country fancy free from all military duties of any kind. And when the period came for their service at the end of the year they



were to come back and get a second prophylactic dose of military training.

The question has been asked, and I will ask it here: Where are you going to get 400,000 men who can give three months of the year to military training? Are you going to get them amongst the employees?

In my regiment, and I will take the average non-commissioned officer, the men earn anywhere from \$75 to \$200 a month. Many of them are married. A great many of them are thrifty, and are saving money towards buying their homes. Many are supporting their families or the families of their parents. Are you going to ask those men to leave their employment and their earnings of seventy-five to a hundred dollars a month for three months to take \$15 or \$20 or \$25 a month? Isn't that rather a drain on the patriotism of a man which is utterly out of proportion to his duty, when every man doesn't do it?

On the other hand, if you don't do that, are you going to ask the employer to bear the difference between his camp pay and his ordinary and usual pay?

How about the employer who only has a man or two in his employ and who is willing that his employe should do something, but who is not willing that he should be entirely ruined by his devotion to the cause of public defense? Are you going to make the employer bear the burden of three or four thousand dollars a year to make up the difference in pay?

Again, wouldn't the withdrawal of 400,000 men from the ordinary pursuits of life be such a charge on the industrial development of the country that it will almost approximate the evils of the burden of a very large standing army?

All these questions were in various forms addressed to Mr. Breckenridge to settle, and he said those were details that had not been worked out.

Now, I am asking you the question: Where then will



you get those men? Well, we will get them from the colleges, perhaps; or, we will get them from the farms. Well, of course, in the colleges in the East, perhaps there are men whose parents are well enough off so that they can afford to permit their sons to go for three months out of a year for three years and support them. But in the West most of the men are working their way through college and it is doubtful whether or not any man who is willing and able to work his way through college would put a rope around his neck and say: "I will be here at this point next year, and the next year, and the next year; no matter where my opportunities may lead or whatever my destiny may be, I will make that sacrifice."

Well, how about the farms? Well, the farmer boy may do it, perhaps. He may think that anything is better than farming.

But the fact remains that the farm is really the only luxurious occupation there is left.

And so these facts were driven home to the President of the United States and his Secretary of War. And the President of the United States cast the foundling down on the front doorsteps of Mr. Garrison, and he went home.

Now what is the next thing? The next thing that came was the so-called Federal Reserve, which provided for the enlistment of a large number of men who had been trained a part of the time and then had been let go about their various occupations and then brought back. Now let us see what the effect of that will be.

Of course, I don't believe that that training is worth a picayune. You cannot take a man for two months or three months and make a soldier of him any more than you can take a man a month or two and put him in a shop and make a first class mechanic out of him. But suppose you adopt that. You will give an opportunity to a number of men to wear "U. S." on their collars and charge off from the



city of Chicago their obligation, their military obligations by the simplest method on earth. Such men will have a good vacation in the summer and having no other obligation to train during the entire year they will be simply scratching the surface of military training and not even making any dent in their military efficiency. But you won't get a large number of men, even at that.

But suppose you do get men and you train them for a month or two every three years. When the hour comes that you are going to call those men, where are they going to be? Are you going to have a United States Marshal sent out to find each one of them? How are you going to organize them into regiments?

Why, regular and organized training is equally as necessary in military affairs as it is in business, in a bank, in a factory or in a store. Unless each man is a part of the organization, a part of the mass which works like clockwork or like a well-oiled machine, it will be utterly and absolutely useless. The fact is that you will train those men for a little while and they will get scattered and they will think that they have done their full duty, and when you come to organize your regiments it will take you longer to organize your men into brigades, into divisions, into corps, than if they had never seen a rifle in their lives.

And another thing: When they go into these camps they believe they have got their training; they believe they have done their full duty and they are really, as they think, a little too good to be enlisted men; and the divine training which they get from evasion of the duties of soldiery justify them in aspiring to be officers, colonels, captains, majors and so forth.

Now the training they should get and that every soldier should get which will make him a good soldier is to keep him in hand, day after day and week after week. Now how can that be done? There is only one method that has been



discovered by which that can be made successful, and that is through the medium of the National Guard.

Now in what respect is the National Guard superior to any of these other forms of military training? Let me point out to you for a few moments a few facts in regard to it: My regiment is made up of every type of man, every type of occupation that the American life furnishes, and every nationality. Those men all work for a living; all of them are willing to be trained for soldiers, to be made soldiers. But they are not in the position and are not able and should not be asked to do so at the cost, first, of their own prosperity, of their own opportunities, of their own lives, of their own happiness; and, second, the employers are willing they should do it so long as the charge is not on the employer so that it becomes burdensome; and, third, they are willing to do it if they are not penalized for it.

Now did you ever stop to think of this, that all over the United States there are men in the professions and in the various occupations, lawyers, doctors, mechanics, engineers of all kinds, who are training and have been trained at the night schools? I think at the Cook County bar you will find that three-fifths of the lawyers are men who have been taught in the night law schools; and certainly, there are many doctors and a great many engineers. Well, if it is possible to train men for the learned professions and for the mechanical pursuits of life at night schools, why is it not possible to make soldiers at night schools? And that without any charge on the man; without any charge on the employer; without any charge on the country except the financial charge. Why isn't that possible? And it can only be done through the medium of an agency like the organized militia.

I have no criticism to find with the citizens' training camps, but there is the educational equipment that is required. I never yet have met a rifle that has any rhetoric.



Our wars are won with rifles, not with manners; and it takes numbers of trained men to make an army. The great danger that is in front of this National Guard is today illustrated in Chicago by the fact that 85 per cent of the men perhaps, had parents who were born on a foreign soil, and if they are allowed to pass some form of vague military duty of more or less doubtful value that will discharge him from doing his full military duty honestly, and make a soldier of himself, if they are allowed to do that the men in the National Guard will say: "Well, what's the use; if a man for fifty or sixty days in a year may become a soldier and wear 'U. S.' on his shoulder straps, why should I give two nights a week and all my Saturdays and Sundays to become a soldier? I would rather choose the academic form of military training in the Chautauqua school."

Now the organized militia force is the only trained volunteer army, and if it is not encouraged, if it is not built up, and if any attempt is made to build up a force which will add a firing line ahead of it, it will become discouraged, it will disintegrate, and the other forms will be a failure, and it will be impossible to hold the men, and you will have no National Guard.

The question is asked: "How about the control of the President of the United States?" General Dickson has pointed out that under the undoubted powers of Congress, which haven't all been exhausted, the President of the United States can have full control over the organized militia as he can over the United States Army. In any serious crisis the military head will, of course, endeavor to get the temper of the country before embarking on an enterprise, and when war has arisen, when the honor of the country and the safety of the country is at stake, there need be no fear but what the organized militia will respond to a man to that call.

Now what are our troubles? Why doesn't the National



Guard grow; why isn't it stronger and better? I have been warned that I must not talk about my own regiment's needs and I shall not, at this point. It is only within a few years that it has had any federal encouragement. It is only in view of the seriousness of the times that it has had any civic encouragement. One of the troops of my regiment is in Urbana, Illinois, and the president of the university urged his young men to join that troop and said to them: "If you will join that troop you shall have athletic credits in the University of Illinois if you are students for the time you put in drilling in the cavalry troop." Well, suppose you do the same. Suppose you should say to your men for the time that they spend in a well organized, well disciplined regiment of the National Guard that they shall have credit for it in your service and not penalize the man who drills, in his rights for increased pay. Why should not the employers of this country tell their employees in the factory, in the bank, in the store, that: "In doing that service for the country you are working for me quite as much as you are for the federal government and the state government"?

Now, as Captain Evers has pointed out, my regiment is not in the same position as his. We have our trained men, but he has his ship, his silent, secret service. With the infantry, it is entirely a different proposition. That most important branch of the service offers nothing spectacular in it. The drilling is necessarily monotonous. It is a constant grind, grind, grind. The men who are in there stay in there. They are men who are devoted to the service and who recognize the duty of it.

In the organization in the State of Illinois the entire organization should be built up until it is well balanced. It is not sufficient that the cavalry and the artillery should be supported alone, or that the Naval Reserve should be supported alone unless the infantry itself has a sufficient number of men that it can carry out its destiny. I would



urge that as the first thing that should be done: That the ranks — and I say this not only because the ranks in my regiment are full, but because I desire to keep a well balanced organization — that the ranks of the infantry should be kept well organized and the organization should have their ranks full and should be kept full. And that can be done by encouragement, by the active encouragement which the merchants will give to their employees to belong to it. Let us regard for a moment the psychological value of it. What do we see with the men who will devote four or five nights a week to this work? Why, I see fellows come in with caps over their eyes and with a slouchy appearance to train and I look at those same men in a year afterwards and, why, they are healthy and big and their eyes are bright and they are upstanding and ready for anything. You cannot accomplish that in any other way on earth. Every one of those men enlists for the federal service. They are all strong, sinewy men who would stand twenty-four hours on foot if need be, and they would be the first in the firing line.

And so with this organized militia. If you will encourage these men, if you will say to these men: “We will support you and encourage you and give you your vacations and give you your pay and give you your promotions,” then the National Guard men will take their first place on the firing line and the State of Illinois will have 30,000 men in the ranks who will be well disciplined and we will have a firing line of young men trained and fit for their duty. And you can do it. Soldiers are not made simply because they have lived at Forts Sheridan or Benjamin Harrison. They are made on the firing line. It is not because of their records in that respect that they are allowed to wear “U. S.” on their shoulder straps, it is because those men have been baptized by fire. And if you will encourage those men and if the Congress of the United States will popularize the



organization and make it a part of the military family the question of public defense ceases to be academic and becomes a practical matter; and then you can get all the men that you need in the United States for military service without any trouble. But if you take one of the Chautauqua forms of public defense you will get just your fat boy whose pockets are full of apples and nothing else.

And now, in closing, Mr. Chairman, may I be pardoned for a moment if I talk about our own position here. We have been trying to get for a great many years a house here which we can use for ourselves. We have not enough horses for our drill. You may know that while the state makes a contribution for their maintenance, the horses themselves are bought by individual contribution by the officers — that is, to the extent that we are enabled to borrow money, and our credit is a little strained. Over and above every other form of encouragement would be the financial encouragement, if we could get an armory in which we can house our men. We don't want a dance hall; we don't want any pool rooms; we don't need any smoking rooms or any assembly rooms. We merely want a drill hall, a place for our men to take off their clothes and put them back on again after they drill. We want a place to put the horses and an indoor rifle range. That is all we want. We want buildings pure and simple, that is our trouble. We want proper quarters for the infantry organization so that the ranks may be filled up, and then we will have an efficient defense organization. But don't forget this, that if the men are not encouraged in this service they will quit. Encourage the men as much as you can. Encourage them in your business, in your factories and in your stores and in your workshops. And in that case we will give you an efficient army, just as good an army as any country needs.

MR. BERNARD A. ECKHART: Mr. President, I desire to offer the following resolution:



## SPECIAL MEETING

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The Commercial Club of Chicago recognizes the necessity for strengthening our national defense and believes that the National Guard and Naval Reserves of the State of Illinois should be made an important part of such defense. It seems apparent that the only escape from a policy of compulsory military service is the increase in number and efficiency of our volunteer troops. The success of the system of volunteer service depends largely upon the patriotic co-operation of employers of young men.

It is hereby resolved that the Executive Committee of this Club be requested to consider the advisability of the appointment of a committee on national defense. This committee, if appointed, shall co-operate with the local National Guard and Naval Reserves authorities in the work of preparedness and particularly in adopting measures for raising the volunteer forces of this state to a higher plane of efficiency.

I move the adoption of the resolution, Mr. President.

MR. HARRISON B. RILEY: Mr. President, I second the motion.

PRESIDENT FORGAN: Gentlemen, you have heard the resolution that has been read. Is there any discussion on it? If not, I will put the question.

(The President then put the motion as read to the meeting and it was carried unanimously.)

PRESIDENT FORGAN: It is unanimously carried.

Gentlemen, I am sure that we have all been very much enlightened and we have all got a good deal of information. We shall all go back to our businesses feeling thoroughly inspired to do all we can in letting the men in our employ join the National Guard without let or hindrance from us, I am sure.

We thank the gentlemen for their addresses and for the trouble they have taken to come here and enlighten us on this subject that we are all so much interested in.

The meeting stands adjourned.



# TWO HUNDRED AND FORTY-NINTH REGULAR MEETING

SATURDAY, NOVEMBER 11, 1916

Open Meeting: President Forgan Presiding

Invocation: Reverend Norman O. Hutton

## PROGRAM

PROCEEDINGS AND PROCEDURE IN CONGRESS

Congressman James R. Mann  
of Chicago

PRESIDENT FORGAN: Gentlemen, I feel that it is unnecessary to introduce to this audience the speaker of the evening. His devotion to his duties, as our representative in Congress, has, however, been so absorbing that many of you may not, until tonight, have had an opportunity of meeting him personally. You all know him by reputation and you know how faithfully he devotes himself to the performance of the duties of the office to which for the past twenty years he has been regularly re-elected.

His reputation, not only in Congress, but all over the country is that of a statesman who applies himself with indefatigable energy and unusual ability for the public welfare.

Having been the leader of his party in Congress, both in power and in opposition, he is exceptionally well qualified and equipped to speak to us on the subject of his address, "Proceedings and Procedure in Congress." I am sure he will make it both interesting and instructive for us. In all probability he will have even more to do hereafter with



the direction of the proceedings and the control of the procedure of Congress than he has had in the past.

I have great pleasure in presenting the Hon. James R. Mann, the representative for the Second Congressional District, who won his recent election by about two to one over his principal opponent, and ran more than 5,000 votes ahead of his ticket.

PROCEEDINGS AND PROCEDURE IN CONGRESS

CONGRESSMAN JAMES R. MANN: In behalf of all of the members of Congress from Chicago, most of whom are here tonight, I desire to express our sincere appreciation of your courtesy in giving us a chance to have a taste of high life. A good dinner, such as we have enjoyed, is such a rarity to us, that we will all remember it to our dying day, unless we be invited again here. Then we may remember the next dinner.

We have a pretty good delegation from Chicago in Congress, both Democratic and Republican, and I am glad to congratulate the city of Chicago on the return at this election of our good Democratic friends and of our good Republican friends. A great city like ours, sending representatives to Congress, ought to have members on both sides of the aisle. The interests of our city are so varied, its commercial interests are so important, the things that come from the city, and are affected by national legislation are so great, that it is a very convenient thing, when one of us has something in hand of importance to the city on our side of the aisle to be able to see Sabath or McAndrews or Gallagher on the other side of the aisle for Democratic support, and they find it equally convenient to come over to the Republican side of the house. I am glad to have these gentlemen, my colleagues, returned to Congress.

We have some new members of Congress, but as a rule



the newer members of Congress have not yet acquired the influence which comes through long term of service and high place on committees, and it is a good thing for Chicago that we have some Democratic districts and some Republican districts, and that the Republicans are able to go back from time to time from their districts, and the Democrats from their district. This is not for publication, although I suppose I cannot help it.

I expect to talk to you upon a very dry subject, and I am not sure that I can make it very entertaining or instructive.

Every man in business knows that there are certain rules in the game which are important to understand. In his own business he must know the rules of the game or he is soon thrown out. You put 435 men in a room by themselves, and require them to reach, by a majority vote, a decision upon great questions, and they must proceed by some method. We call those rules and precedents. The rules of the House of Representatives, as they stand, are in the main the same rules which have been in existence for many years, some of them over one hundred years. From time to time they are added to and may be subtracted from a little, but the rules of the House of Representatives are a puzzle always, especially to the newer members of Congress. The old members in the main do not read them, do not pay much attention to them, and most of them do not know what they are. You never can learn either the practice, the procedure or the method of procedure by studying the rules of the House of Representatives, any more than a young man studying law can learn how to plead a case because he has passed through a law school. He may need both, but he needs the knowledge, what I call the "game," though that may not be a very desirable title to give to it.

I am going to say a few words to you about the practice,



what is done, and the way it is done in Congress. I have gotten up in the morning and received a half bushel of telegrams from Chicago about something that the senders of which knew nothing, and having very great regard for the senders, wondered if they expected any one to be influenced by such methods, though I will say this for the men especially in the Commercial Club: All of our members from Chicago frequently receive letters from you gentlemen enclosing letters from someone in some distant city or state urging you to interest yourself in behalf of some special measure in which those people are interested, and as a rule my correspondents in sending me these messages say, "We turn this over to you; if you do not know anything more about it than we do God help you." It is, however, desirable that the leading citizens of a great city like Chicago should know something of how legislation is enacted. If you have something at Springfield, Illinois, and I judge only by newspaper reports, you send a large delegation down there and overawe the legislators at Springfield, if you can. Very often you do. But you cannot send a very large delegation, as a rule, to Washington, and generally, if you do, you are met with so many obstructions that you really do not know where you get off after you go. That is purposely done. The great Congress of the United States is designedly arranged in its procedure so as a rule it cannot be swept off its feet. It is not purposed to have passing excitement control and influence legislation and there is just as much art in preventing haste as there is in hurrying along. If you had a matter which you were especially interested in in Congress and desired to get legislation you would yourself prepare a bill or get somebody to prepare a bill for you.

The method of enacting laws is through bills first introduced in the House or the Senate. We have bills introduced in the House, joint resolutions introduced in the



House, concurrent resolutions and simple resolutions. There is no distinction except in name and form between a bill or a law and a joint resolution. Both require the signature of the President or give him an opportunity to veto it or become a law without signing under the provisions of the Constitution. The Constitution provides that every bill or resolution passed by Congress shall be presented to the President for signature, but that has long since been held not to apply to what is called a concurrent resolution or a simple resolution, a concurrent resolution being the action only of the House and the Senate, not of it as Congress, as of two bodies. These bills when introduced in the House are introduced by dropping in the basket; in the Senate bills are introduced nominally by a Senator holding up his hand and calling out, "Mr. President," and handing to a messenger boy or a page boy a bunch of papers. They are arranged afterward. In the House we do not go through that procedure, because there are 435 members, and it would be a waste of time. It would be a waste of time in the House. It is a waste of time in the Senate. Bills are introduced simply by placing them in the hopper or basket, as we call it.

When a bill is introduced it is referred to a committee. In the last Congress there were upward, I think, of 35,000 or 40,000 bills introduced. In the last session of Congress there were in the House, I think, in the neighborhood of 15,000 or 16,000 bills introduced.

Every bill is examined and referred to a committee. There are fifty or sixty committees of the House, most of them not of grave importance, all of importance on some particular subject, though I must confess that when I have had the task of making up the Republican membership of committees during the last three congresses, sometimes it has been very difficult to impress upon some new member of Congress the importance of the committee to which he was



to be assigned. Some of them were not even impressed with it after assignment, though no one made any complaint.

These committees do the preliminary work, and if I wanted to make a case before a committee of Congress on a matter in which I was interested, I would go before that committee just as though I was trying to convince a dozen members of this club of the proposition, of the fairness of it, of the need of it. I do not want to knock the legal profession; I served on a committee which I think was the most important committee in the House for fourteen years, the Committee on Interstate and Foreign Commerce. That committee was holding hearings all of the time. We covered a variety of subjects. When we got a business man before us who knew what he was talking about, and talked to the subject, he was always listened to with the greatest respect and interest. When he wanted to fire hot air at us, we were always bored and listened with what respect we could, and no interest; when he sent an attorney, who knew nothing about it except what he had learned from talking with his client, we were still more bored. The man who knows his subject and goes before a committee of Congress and states what he knows, can give great knowledge and be of great assistance to the committee. If there is any judge of hot air in the world it is a committee of Congress. That is their business. They know it the moment they hear it.

When a bill is reported from committee it is reported through the basket as a rule and goes on a calendar. There are five calendars of the House of Representatives: Three calendars upon which bills go automatically.

There is what we call the union calendar to which all bills go which relate to raising revenue, or which involve any charge upon the treasury, either by an appropriation of money or by doing something which will require an appropriation of money.



There is what is called the house calendar upon which other public bills go which do not require an appropriation of money or which do not raise revenue.

There is what is called the private calendar to which all bills go relating to private claims, pension claims, and claims against the government of any sort.

There is an unanimous consent calendar upon which any member can have a bill placed. That is called twice a month for passage by unanimous consent. It is not supposed that great bills will pass on the unanimous consent calendar because they pass practically without discussion, practically with no opportunity for amendment. Yet I have been frequently scolded, very severely, because I have stopped on the unanimous consent calendar from immediate passage some great measure which never ought to pass without the fullest consideration and without the widest opportunity to amend it and change it. I am scolded because I am the one who generally stops it.

There is also a calendar called committee discharge calendar. Some years ago some brilliant fertile-minded genius somewhere in the country said "Why, we ought to have a method by which, if Congress wants to consider a thing, and the speaker won't let the Congress consider it, that Congress can take it out of the hands of the speaker." That went all over the country. Every newspaper in the country published that sort of stuff. Half the members of Congress still believe it. There was never anything to it to begin with, because the speaker never had the power, to begin with.

But we created what we call the committee discharge calendar to provide a method by which a member of the House might move to discharge a committee from the consideration of a bill and bring it before the House and put it upon a calendar. Nobody has ever been able to get a bill discharged from a committee; there has never been a



motion made and voted upon in the House upon the subject except one, and then there was not a quorum present. The committee discharge calendar has been filled with motions ever since the calendar was created, and there is less opportunity today, under the reformed rules, providing for a committee discharge calendar, to get a bill considered than there was before that calendar was created. That is one of the reforms that we take to kindly in Washington, those of us who desire to have an opportunity to obstruct things, and just as a curiosity to show how the rules of the game go, I will say, and I would hate to have this published, but then I do not know as it will do any harm — the first time they created a committee discharge calendar I was disgusted and told them I would not vote to do it. The Republicans made the proposition. So I thought I would teach them a lesson as to how it would work. While they were voting upon the proposition I walked down to the clerk's desk and furnished a notice to the clerk to put on the committee discharge calendar House Bill so and so. It was only three or four hundred pages long. The first time it came up, and that calendar was in order, I asked to have this bill read, to see whether the House would vote upon it before they moved to discharge the committee, as you must know what you are voting upon, and any reasonable man can see that, and those are the rules of the House. It takes a long time to read a bill of that length, and the clerk has to read it. That bill was before the House nominally for three months. That was the balance of congress and it never was half read through.

The next congress came in and thought they would be smart, and they provided a change of rules and said, "No bill can go on the calendar with a title more than so long, the bill will not have to be read before the vote is taken, and no member can put more than two bills on the calendar."



Then our Democratic friends, who happened to draw that rule, laughed at Mr. Mann. Well, I believe myself that the House ought to control its proceedings, and that is no way to do it. I prepared fifty to one hundred motions and different Republican members signed them, and on the first day on which it was in order to put a motion on the calendar I put all these on the calendar. They stayed there during that session of Congress. You can find fifty or sixty on the calendar in this session of Congress, and because of the situation when the Democrats were in power they would be afraid to have the calendar called, and if the Republicans were in power they would be afraid to have the calendar called, the minority has the motions on the calendar; the majority does not have it. It is a ridiculous reform which probably will never be changed and never will operate.

It does not make any difference, gentlemen, what rules are made. Ingenuous men will always find methods of observing rules so far as the letter of the rule is concerned, without obeying the spirit of the rule. There never was anybody smart enough to provide a method by which each one of 435 members could get in first. There never was anybody ingenuous enough to find a method by which each reformer could get his reform bill called up first. Of course, that is always the aim. Every member of Congress, nearly, has a number of bills which he is interested in which have been reported, who wants to get his bills passed. They cannot all be passed at once. I will be very frank with you, franker than I ought to be: If we see ahead of us on the call of a calendar, an ordinary calendar, a bill which we do not want to pass, or which we want to delay, and there is another bill ahead of it, that is interesting, you can very readily see that a wise man would want to have careful discussion and consideration of the bill that came ahead. That is always the case.



We have what we call a Wednesday calendar now. It is not a separate calendar, but we call it "Holy Wednesday." It is another reform that has spread throughout the country, through a very desirable purpose, to give an opportunity to every committee to have its chance in the House. I will say we do not call calendars in the House as a rule. Gentlemen frequently do find that bills that they are interested in are at the top of the calendar. The bill is no more apt to be called from the top of the calendar than it is from the bottom of the calendar. Except the private calendar bills, bills are not called in their order. They are taken up according to precedence. A bill introduced today may have precedence over a bill which was introduced six months ago. When we meet in Congress in December, and we meet on Monday, it is very likely we will have the President's message on Tuesday. On Wednesday probably bills will be reported from one of the committees which will have precedence over all bills that are now on the calendar. There are several hundred bills now on the various calendars. You can very readily see that if we called bills in the House according to their calendar number that the early bird would catch all the worms and the most worthless trash would probably be reported in first, and the easiest method of obstruction which it would be possible to devise would be to permit bills to be called in their order as reported, because a few committees that desired to obstruct legislation would report a large number of bills that might take considerable time to defeat and prevent immediate consideration of important measures.

There are certain privileged bills. General appropriation bills are privileged; bills raising revenue are privileged; certain bills concerning lands are privileged. When my colleague, George Foss, for years the most able and distinguished chairman of the committee on naval affairs that the country has ever had reported annually the Com-



mittee on Naval Affairs he had the right under the rules of the House to call that bill up at any time for consideration. He could not require the House to consider it. He could make a motion, go into the committee of the whole house on the state of the union for the consideration of his bill. Unless the House voted him down, which they never did, he would have his bill taken up, and there might be half a dozen bills on the calendar of equal importance. Then they are arranged between the men in charge of the bill and the speaker as a rule, and if they cannot arrange it, it is tested by the vote of the House, and somewhat by the popularity of the members, but as a rule decided by a few of us in the House who determine what will be done in such cases.

Bills that are on the Union calendar are considered in what is called a committee of the whole. Bills as I explained on the House calendar are considered in the House. When the House considers a Union calendar bill a motion is made that the House resolve itself into the committee of the whole house on the state of the Union. That motion prevails. The speaker leaves the chair and calls a member of the House to the chair who presides as chairman over the committee.

There have been various efforts made to provide for a change of method in the committee. A committee of the whole house requires only one hundred members for a quorum. The house consists of 435 members. When the House membership is full it takes 218 members for a quorum. I am told that members of the Commercial Club are very good indeed about attending their meetings, which are not very many times in the year and if you stay away those are fined who stay away. If we could fine all the members of Congress who are not present all the time we could make the government rich if they had money enough to pay their fines.



A member of congress has a thousand and one things to do besides sitting in the halls of the House and listening to dry speeches or proceedings in which he is not interested and unless there is some important matter on it is a rare thing for a quorum of the house to be present. That is 218 members. Of course, if the roll is called the members come in from their offices.

A committee of the whole has only one hundred members for a quorum, and on the general average in the consideration of appropriation bills there are probably not more than fifty or sixty members of the House present, and I have seen many times very important propositions disposed of with less than twenty votes for the proposition and a smaller number against it. Yet even such a small vote as that almost invariably represents the sentiment of the whole membership of the House. You may not be able to understand how any one can tell that that is the case. There is always somebody on both sides of the House watching very carefully every move that is made in the House, every proposition that comes up, on appropriations or other bills. On my side of the House, whoever is in charge knows pretty largely what the sentiment is on our side. On the other side of the House they know the same thing. The mere reduction in membership does not make so much difference in the importance of the vote. But it is a fact we do not require a roll call in the committee of the whole. If we required a roll call in committee of the whole, requiring a call of 435 members, we would kill a great deal of time. You can get a roll call in committee of the whole as to those who are present, but not on the question of voting for or against the proposition. That is the main reason why the House goes into committee of the whole house on the state of the union. It has no roll call and most of the debates are under what is called the five-minute rule. Members of Congress ought to be able



to talk against time. No member of the House ever gets the floor for unlimited speech. If he gets the floor under the usual proceedings in the House, not in committee, he is recognized for one hour, which he does not often himself use. In committee of the whole, when we commence to read a bill a man is recognized for five minutes. I do not know how strict your chairman is, but the chairman of the House of Representatives committee sits with a clock on one side of him, a time clock arranged to indicate exactly when a certain length of time is up. He has a boy or man to remind him and "The time of the gentleman has expired" comes down on the dot invariably and cannot be extended except by unanimous consent. Very frequently unanimous consent is granted. Frequently it is refused. But we learn to talk against time. These great bills are considered in committee of the whole house for that reason. They are taken up according to precedent.

However, there is a calendar that I started to refer to, not really a calendar, but the Holy Wednesday.

A number of years ago people said that the committees ought to be called in their order, and give every committee a chance. Now, every Wednesday is a committee call day. Before Wednesday was made committee call day the committees might be called any day in the week. They might be called any day in the week now, but they never are, because it disarranges the proceedings for the reason that the precedence on the Wednesday call is different from the precedence on the other days in the week, and a committee that has precedence for Wednesday would lose its precedence if the committees were called on any other day in the week.

I think we will reform the Wednesday call. We found that if the committee has the call on Wednesday, and it has a bill which some members of Congress are not anxious to pass, and it is a little ways down on the calendar, that



the bills that came before it become of very great importance.

In the last Congress we took up one bill on a Wednesday call for a codification of one of the sets of laws of the United States. The House has the privilege to take it up or not, and I warned the house that if it took up that bill it meant to block the calendar from the consideration of everything else. Despite the warning they took up the bill, much to my pleasure, and there was no other committee call during the balance of that Congress.

We have changed that now so that the committee can only be called two days. Two days in half a month. There are sixty committees of the House. You can see how rapidly you could get through the calendar by calling two days a month and call through sixty committees and finish Congress in about eight months.

Now, it is the business of men to know these things in Congress. They do not all do it. It would be a wise thing for the men outside to know these things. You might think you could draw a set of rules which would be better. I think myself that I can. Maybe I will try it sometime, but there will never be any set of rules drawn which will not permit resolute men to stop somethings.

Let me give you an illustration. A bill that passes the House, if it is a House bill, goes to the Senate. It passes the Senate say with a lot of Senate amendments. It comes back to the House with the Senate amendments. Maybe a dozen bills come from the Senate. Frequently there are thirty, or forty, or fifty some days come from the Senate, House bills with Senate amendments. We cannot dispose of them all at once at a moment's time, and the custom has grown up in Congress to send these bills to conference. The rules of the House do not require that they be sent to conference because you could not enact rules which require a body to give up its rights, its right to



a vote upon a proposition by sending it to conference; but the practice is to send all these bills to conference and it must be done by unanimous consent.

Here was the Rivers and Harbors Bill. Let me give you an illustration. The Rivers and Harbors Bill in the last session of Congress passed the House. It went to the Senate. The Senate added one hundred or so amendments, most of them ordinary amendments of no great importance. One of the amendments was of great importance. Now, when the bill with the Senate amendments comes back to the House it goes to what we call the Speaker's table. Under the rules of the House, if observed, the bill must be referred by the Speaker to the House Committee, again, that had charge of it; and if the Committee reported that bill back to the House, it had to be considered, and the 100 amendments, and you can have a roll call on every amendment. It takes at least thirty minutes for a roll call and it takes some time to dispose of the bill, even if you had no discussion on the proposition.

The Rivers and Harbors Bill this winter came back to the House. One of the amendments was limiting the flow of water through the Chicago River, going South, to 250,000 cubic feet per minute. Some years ago, when we built the Drainage Canal, without as much brains as we ought to have had, we did not obtain from the Government a permit to reverse the flow of the Chicago River. The Drainage Board went before the War Department and got a revokable permit from the Secretary of War, subject to the action of Congress. Last summer we were turning down 400,000 cubic feet of water a minute through the Chicago River. The Senate put in an amendment limiting it to 250,000 for all time, and every city on the Great Lakes away from Chicago was urging that amendment being agreed to by the House. All the lake interests and the lake marine interests were unanimously for it, because they



claim that we are liable to lower the level of the water of the lakes. I am not going to discuss that subject. The bill came back to the House with this amendment. The Chicago members had a little talk among themselves, and we concluded that we would not let the bill go to conference until we knew what was going to happen with the amendment. The ranking Republican of the committee came to me, acting partly as spokesman for the Chicago members, although we all acted as well as we could individually, as well, and he asked me whether I would consent to take that bill from the Speaker's table and send it to conference, and I said "Nothing doing." He sent the chairman of the committee to me, Mr. Sparkman, and I said, "Well, nothing doing. The bill is on the Speaker's table; let it lie there." I said, "How about that Chicago River amendment," and he did not know. "Well," I said, "you had better find out."

Now, what we practically did was, we used the procedure of the House for what we thought was a legitimate proposition, to say to the men who were in charge of the Rivers and Harbors Bill, "You cannot do anything with that bill by unanimous consent until we know what is going to be done with it; and, if you want to send the bill to conference by unanimous consent, very well, if the conferrers will tell us privately that the Chicago River amendment will go out of the bill in conference. Otherwise you can have the bill go to the Committee on Rivers and Harbors; when that Committee is ready it can report it back to the House; when you get the chance you can call it up in the House, and we will see what we can do on the one hundred or more amendments to the bill." And, I am sure that if we could not have done anything else we could have spent thirty minutes on each roll for more than a hundred roll calls. Between times — remember now, between times, between roll calls, we could have made



a point of no quorum and that would require another roll call; and I pledge you my word, from actual experience, while we would not resort to such methods under ordinary considerations, we could have prevented, in the closing days of the Congress, when time is precious, that bill being considered, for several hundred hours. What could they do? The amendment went out in conference, gentlemen.

At one time in the House, I was making a contest over a Claims Bill in the House. I made a point of no quorum and some other demands, and after more than fifty hours continuous session, during which time I had not been out of the Capitol building, or away from the chamber, except for a moment, and not in bed,—at the end of fifty hours and more we were not forward from the position we started from, but we were a good many motions backwards, we had backed up quite aways. And, of course, at the end of that time, they asked me what I would be satisfied with, and I told them, and then we backed up still further.

Ordinarily there is no thing that goes through Congress that does not go through at some place or other by unanimous consent. We could not transact business at all if we constantly observed the power to obstruct business, but we do not do that. The minority does not do that. Every man in charge of a bill on the Democratic side of the House in the last Congress, at some stage of the progress of the bill which he put through, asked and received unanimous consent to advance his bill one step or more. That is gentlemen dealing with gentlemen. When you know that in the end you have not the power to prevent even a partisan measure from being passed, all you need to do to be fair is to obtain a record upon the matter without attempting to so obstruct the legislation that in the end you may not only obstruct that which you do not like, but you may prevent a great many things which you think are



desirable for the country, and it is only in the extreme cases therefore, that you resort to the extreme methods.

There is a great deal of legislation that is wanted all the time. A gentleman tonight was talking with me about the vocational educational bill. I have had a good many letters from Chicago on behalf of that. When it came up on the unanimous consent calendar, on two or three occasions, I have stopped it. I did not stop it because I was opposed to the bill. I do not say whether I am opposed to the bill or whether I am for the bill; that has nothing to do with my remarks. There are a thousand and one things of that sort that come before Congress. You are a very public spirited people here in Chicago. You believe in great enterprises and in spreading the benefits of the prosperity which you enjoy. You are apt to get interested in new reform things which you do understand, and we are all apt to get interested more or less in new reforms which we do not understand, but remember this, whatever you get interested in, which is enacted into legislation, costs money.

We wonder at times about the high cost of living. Well, I added to it by the Pure Food Bill: There have been a good many things passed through Congress since I have been there which added to the cost of living. Purposely. We add to the thousand and one things everywhere; we increase the appropriations and the taxes and then wonder why everything is not as cheap as it was before. Everything costs money and you pay the bills. I am going to give you some figures.

The Income Tax is collected by the Government by fiscal years. The fiscal year ends on June 30th for the Government. We have just doubled the income tax. Next year probably we will add 50 per cent more to it. When the Republicans get into control maybe we will add another 100 per cent to it. I don't know. I know the other fellows



will if they get the chance. Not with the aid of our Democratic friends from Chicago, however.

The last fiscal year there was collected in Chicago a corporation tax, that is an income tax on corporations — that is from the First Internal Revenue of Illinois, and that is practically Chicago, there was collected \$5,109,000. From these states which I shall read, combined, Alabama, Mississippi, Arkansas, Florida, Georgia, North Carolina, Oklahoma, South Carolina, Tennessee, Louisiana, Kentucky, Iowa, Kansas, Nebraska, New Mexico, Arizona, North Dakota, South Dakota, Oregon, and Washington, including Alaska, twenty states, there was collected \$5,239,000 as against \$5,109,000 for Chicago. That is the corporation tax. That has been doubled.

For the income tax for the last fiscal year Chicago paid \$4,848,000; and these 26 states, Alabama, Mississippi, Arkansas, Florida, Georgia, North Carolina, Oklahoma, South Carolina, Tennessee, Louisiana, Kentucky, Iowa, Kansas, Nebraska, New Mexico, Arizona, North Dakota, South Dakota, Oregon, Washington, Texas, Virginia, Indiana, Montana, Idaho and Utah, and they include some of the largest and richest states of the Union,— these 26 states paid an income tax of \$4,630,000 as against \$4,848,000 for the City of Chicago. We paid more income tax here than 26 states of the Union did.

The total income and corporation tax collected for the last fiscal year by the United States was \$124,867,000. Of this \$124,867,000, four states, Illinois, Pennsylvania, New York and Massachusetts, paid \$75,000,000; and 44 states paid \$48,000,000. The four states paid \$27,000,000 more than the 44 states. The four states have eight senators; the 44 states have 88 senators. The four states have 122 members of Congress, of the House of Representatives; the 44 states have 313 members of the House of Representatives. I say we doubled the income tax. Is it



any wonder? They do not pay it. Why should the members of Congress from the country be opposed to the reforms which you ask which go to their localities, if they can soak the money onto you? And if you like it, all right. Think of it when you make out your next income tax return, because it is sure to be increased.

We are taxing incomes now and I believe in an income tax myself; I think it is the fairest method of raising money there is, when it is used legitimately. We are taxing incomes in the cities now in these four states to build roads, to drain lands, to teach the farmers how to grow corn and in a thousand and one ways; and, as a rule the expenditure of the money is so guarded that it does not come to the city. We made an appropriation of \$75,000,000 for roads, but they were not permitted to spend any of it in Chicago. The same with a great many other things, and strange to say, I think the biggest demand for the expenditure of those moneys comes from the big cities.

I am quite willing, because the income tax is not heavy upon me personally,— but I do not believe fundamentally it can ever be a successful method of raising money to have the great majority believe that they can become grossly extravagant at the expense of somebody else. And, the moment you adopt the principle that the burdens of government are not to be distributed, they are not to be rested at all upon the great majority, but they are only to be placed upon the select few, you have gone further toward destruction of good government than you can go in any other way.

Now, I have already talked, not very entertainingly, but a great deal longer than I had intended to. After all, gentlemen, while I think the rules of the House of Representatives needs reforming, it is not so easy to be done. Let me give you another illustration before I close. At the last meeting of the National Association of Commerce,



resolutions were passed in favor of what they call — I do not know what it is — the National Budget System. I think they submitted the proposition to a vote, whether there should be a national budget. I heard more or less talk during the campaign recently about a budget. I wrote to the secretary of the National Association of Commerce last summer, when he sent me information last summer, and asked him what he meant by the National Budget System, and he wrote back that he did not know, and I fully agree with him, I am sure he does not. I do not believe there is anybody here who knows. I never yet have been able to find out anybody who did know what was meant generally by the term, but if you find some learned expert around a library somewhere who has studied the system, he will tell you that the National Budget System means that the executive determines how much money shall be appropriated.

Let me say for your benefit, because this matter comes up all the time, Congress is not composed of a set of fools. The leading committees of the House are cared for by just as strong minds as you find in the country. They know the business of the government. The one thing that an executive officer dreads is to go before the appropriating committee for his department, because he knows they will search out everything that he has in there, and make him give up the things that he thought he would keep to himself, the spending of money which was improper, or in some other way.

Under the present law we have this system; every branch of the Government service has already this year, before this time, made a complete itemized statement of the money it will need in the next fiscal year. They not only make the statement of what they need, but if there is any authority of law for it they have to cite the authority of law for the expenditure. They have to state if they had



money for the same purpose during the present year, how much that was. They have to give that full information just as detailed as it can be made. That statement when made by the various departments of the government, all of the various statements are transmitted then to the Secretary of the Treasury of the United States. The Secretary of the Treasury is compelled to lay these matters before the President of the United States. He can order them all reduced, or increased, or some of them reduced, or some of them increased.

The executive now has complete power over the making of the estimates, but so far as my experience is concerned, and I have served under four presidents, they are all grossly extravagant. They have no idea of economy. McKinley had not; Roosevelt had not; Taft had not; and Wilson has not. They talk economy but do not practice it, and if we should turn over to what is called the national budget system, which practically means that the executive determines how much money will be appropriated, our appropriations would be expanded beyond all reason.

Now one reason why the President cannot judge of these matters, the President cannot sit and have a hearing over an expenditure of money. The department as a rule cannot do that. The demands that are made from the minor officers work up to the head officers of the department. They cut out a good many. They go to the President. He cannot have a hearing to determine these things. The only place where they are put under searching inquiry is in the committees of the House of Representatives. The Senate pays no attention to such things. There has not an economical man ever been elected to the Senate of the United States unless he resigned; and they do not intend to be. I am not criticizing them, they perform a great function of the government, but the expenditures of the government are controlled by the House of Representatives. The



executive tries to add to the appropriations, the Senate tries to add to the appropriations. The only place where there is any effort to practice economy is in the committees of the House of Representatives. The House itself usually tries to add to them, but you take the Committee on Appropriations and the other appropriating committees of the House, and they scan every item; they want to know why you want the money, they figure out whether you have got to have the money. They are careful about it.

Now, a national budget system has been advocated upon the theory that Congress made the appropriations without information from the executive department, but we get now all the information that we would get if we had the national budget system, only we do as we please about the appropriations. We occasionally appropriate money which is not estimated for; not often, not unless we are creating something where there is an emergency. We appropriate money sometimes in such cases. I think we appropriated some money for some hog cholera studies, I am not sure whether it was estimated for or not. We appropriated some money for the hoof and mouth disease, quite a good deal, which had not been fully estimated; but nobody questioned the desirability of making those appropriations, although some of them were opposed because no estimate had been made.

In England, where they have what they call the national budget system, the government there is composed of the leaders of parliament. The government is the legislature; they are the executives; and, of course, if the government ever brings in a bill for an appropriation and it is not sustained by a vote of parliament, it means that the government resigns. That is the theory of that responsible form of government which exists in England.

We do not have that, and the greatest extravagance that could come to this country would be the adoption of



this so-called budget system, and I am not sure but that they will adopt it. Everybody is for it that does not know anything about it, and believe me that is a vast majority.

We have got to find some method, if possible, of curtailing appropriations; but I guess the only method that is really available is to see if we can elect men to Congress who have the nerve to say no. I have observed that most men do not have nerve enough to say no. A great many women have, at different times, but men do not. They say yes. A man comes along and suggests that something is good, and, "Why, of course, it is good; let's have it." But a man is no earthly good handling money which does not belong to him unless he is able to tell somebody they cannot have what they want, and good people at that.

Gentlemen, I do not often trespass upon the time of people; I am not especially interested in my subject, and I do not suppose you are, but I am very much delighted to have the pleasure of looking into the faces again, before I go to Washington, of the strongest, most able, and best looking men in Chicago.

**PRESIDENT FORGAN:** Gentlemen, I am sure that I express the views of all present when I say that Congressman Mann is entitled to the thanks of the Commercial Club for the very able and very interesting address that we have had; and on behalf of the Club I sincerely thank you, Mr. Mann.



## TWO HUNDRED AND FIFTIETH REGULAR MEETING

SATURDAY, DECEMBER 9, 1916

Open Meeting: President Forgan Presiding  
Invocation: Reverend R. Calvin Dobson

### PROGRAM

VIEWS ON MILITARY PREPAREDNESS AS MODIFIED BY TEXAS  
CAMPAIGN

Major Abel Davis, Illinois National Guard  
Colonel Milton J. Foreman, Illinois National Guard

PRESIDENT JAMES B. FORGAN: Gentlemen: Probably the most vitally urgent questions agitating the public mind of this country at the present time are military and commercial preparedness.

The necessity for adequate preparedness from a commercial and financial standpoint to meet whatever business conditions may have to be dealt with when the awful ravages of war shall cease is attracting the attention of our economists, our bankers, and our practical men of affairs. There seems to be a fear that with the re-establishment of "peace on earth" the latter part of the song of the angelic host at the advent of the Messiah, "good will toward men," will not control international relations.

If based on some such fear, it is deemed necessary that we should make vigilant preparation for the protection of our commerce, it follows as a sequence that we should also have adequate military preparedness on which, in the last analysis the permanency of our successful business depends.



## VIEWS ON MILITARY PREPAREDNESS

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Last year we had Major General Leonard A. Wood address us on the general proposition of military preparedness from his standpoint as the head of the regular army. The subject was considered so urgently important that a special meeting of the club was held last spring at which we had three officers of the Illinois National Guard and one of the Naval Reserves tell us how we could best assist them in their endeavor to build up an adequate and efficient military organization in this state. Their greatest difficulty, as I remember it, was that of maintaining their numerical strength, and they asked our co-operation in making it known to young men in our employ that service in the National Guard will not handicap them in their positions; that on the contrary honorable service in a regiment will help them; that in responding to any orders from their superior officers requiring their absence from their places of employment, they will not lose their pay.

At that meeting a resolution was unanimously passed:

That this Club recognizes the necessity for strengthening our national defense and believes that the National Guard and Naval Reserves of the State of Illinois should be made an important part of such defense.

It seems apparent that the only escape from a policy of compulsory military service is the increase in number and efficiency of our volunteer troops. The success of the system of volunteer service depends largely upon the patriotic co-operation of employers of young men.

A committee was then appointed to co-operate with the local National Guard and Naval Reserve authorities in the work of preparedness and particularly in adopting measures for raising the volunteer forces of the state to a higher plane of efficiency.

Not long after this meeting the President deemed it necessary to mobilize on the Mexican border as much of the regular army as was available along with certain regiments



of the National Guard from various states of the Union. From this state there went the First, Second, Third, Fourth, Seventh, and Eighth Infantry, the First Cavalry, the First Field Artillery, Company A Signal Corps, Company A Engineers, and two Field Hospitals. With the exception of the Third and Fourth Infantry regiments and a part of the Eighth Infantry and First Cavalry all of these troops were from Chicago. This made a force of a little over ten thousand officers and men who were mustered into the United States service.

I believe it was the general policy of employers to continue the pay of their employees, or at least to make good their loss of income during their absence on this duty.

This mobilization and the activities of the federal government in endeavoring to get men to enlist in the regular army interfered with the work which your committee had under way to assist the officers of the National Guard in filling their companies to the required numerical strength. But the committee has kept in touch with the officers of that organization and finding that the experience of these officers acquired through mobilization on the border had somewhat modified their views and had better qualified them to speak authoritatively on military preparedness, it was suggested that we should hear from them again on the subject. Accordingly your Executive Committee has invited two of them to address you tonight, and as the first speaker I have great pleasure in introducing to you Major Abel Davis. The Major's military career dates back to 1897, when he enlisted as a private in the First Infantry. He served with his regiment in Cuba and passing up through the ranks of corporal, sergeant, first sergeant, second-lieutenant, first-lieutenant and captain, he was appointed to his present rank of major six years ago.

Gentlemen, I have the pleasure of presenting to you Major Davis of the First Infantry.



MAJOR ABEL DAVIS. Mr. President and gentlemen: The recent experience of our government on the Mexican border demonstrated the essential weaknesses of our military system. I shall attempt to point these out, indicate some of the contributing causes, and make bold to suggest a plan for a military system. It is dignifying the suggestions to be made when I refer to them in the aggregate as a plan. Any thorough plan for a military system must take into consideration industrial conditions, as they may affect our military policy, as well as strictly military matters. I shall make no reference to the necessary changes in our industrial conditions in aid of our military requirements, nor shall I speak of the required increases of facilities for producing a greater number of army officers, the organization of the army and its division into the different arms of the service. Nor shall I speak of the plan for the equipment of the army, the required number of field guns, aeroplanes, poison gas generators, and other machinery of war, essential for military operations. These strictly military matters should be left to the judgment of experts. And speaking of military experts, I do not have in mind members of Congress. The only feature of the general plan to be presented by me is the one dealing with military training of our men and the raising of the required number of men for the army of the United States. I shall refer to the recent mobilization only to the extent that it emphasizes the weaknesses of our system.

Our regiment, the First Illinois Infantry, answered the call of the President and reported at Fort Sam Houston. The experience gained by the regiment in Texas was valuable, but the time, energy, and money expended did not produce in results the possible maximum.

The following were the chief contributing causes:

Excessive number of recruits, totally without military training;

Lack of army officers detailed as instructors;



Lack of a definite plan for training National Guard troops for war service;

Lack of facilities for handling large bodies of National Guardsmen called into the federal service.

The cumbersome and wasteful method of changing the status of troops from state to federal control and their return to state control.

It has been the theory of our government to have the army and the National Guard organized on a skeleton basis known as peace strength, which in time of war was to be increased to regular size or war strength. As a matter of actual experience neither the army nor the national guard has ever succeeded in recruiting up to peace strength, with the result that the addition of untrained men is greater than contemplated in theory, with a proportionate lowering of the efficiency of the fighting unit.

The numerical strength of the First Infantry was 1200, of which number 500 were unexperienced recruits, enlisted subsequent to the President's call. Had we been able to comply with the wishes of the War Department to recruit the regiment to war strength, as it was then known, we would have had 700 recruits in a regiment of 1400, or one untrained man for every trained or, to be more accurate, partially trained man. While the strength of units of European armies is increased in time of war, such increase is of a much lower proportion than ours and is entirely of trained men from the reserves. We, on the other hand, have been placing reliance on the willingness of men to respond in times of war, ignoring the fact that patriotism, although expressed by willingness to serve, will not and cannot take the place of the essential requirements of training to fit men for war service.

The ultimate object of all military training is to produce the highest degree of efficiency on the firing line, obedience to orders in face of fire and death.



The task of producing this result has become more difficult in modern warfare as the instruments of war have become more terrifying. To continue our reliance on untrained men, no matter how great the numbers, is suicidal.

There was one regular army officer with the rank of captain detailed as instructor for our entire brigade, consisting of approximately 3,600 men. To my knowledge he had any number of days with eighteen working hours. He supervised the administrative work of the brigade and the regiments, provided drill schedules, arranged for maneuvers, made inspections, but his incessant labors were not productive of great results, because of the superhuman task assigned to him.

Such benefit as the national guard received from the last mobilization was in spite of the fact that the government failed to provide a definite program of training. Each army officer acting as instructor was obliged to exercise his own judgment and ingenuity in such limited instruction as was within his power to give.

Army and national guard officers were further handicapped by lack of facilities. The best illustration is our experience with target practice for recruits. The government maintains a very good rifle range at Leon Springs, Texas, equipped to meet the requirements of regular troops stationed at Fort Sam Houston. How did it work out for the large number of national guardsmen mobilized at the Fort? Though away from our home station for three months and sixteen days it was not possible to allow our regiment more than three days on the rifle range. The practice was limited to men who had no previous experience in this important branch of military knowledge. Two hours was the actual time spent by each recruit in trying to hit the target—hardly sufficient to qualify him as an effective man on the firing line.

Over one-third of the time that my regiment was away



from its home station was spent in mustering the regiment in and out of the federal service. The criticism heaped on the shoulders of the mustering officers was unjust. They were following the system incorporated into a law which demanded that every piece of property belonging to the national guard while in the state service be invoiced to the federal government at the time of muster and its serviceability noted. Likewise, on being mustered out each piece of property had to be invoiced back to the state, noting its condition at the time of such transfer. Incidental to this property reckoning between the federal and state governments, each accountable officer had to clear his account with the federal government.

Every man who was found by a medical examination to be physically fit for state service was re-examined to discover if he was fit for federal service. On being mustered out he was examined again. The justification for it is the refusal of the government to rely on state examinations and the necessity for ascertaining the man's condition as it may affect his claim for a pension.

I have too much regard for your patience to take you into the maze of difficulties regarding the oaths, which the men have taken, should have taken, or are expected to take at this time, but I will say this: The men who have returned from the border do not know the meaning nor the necessity for an additional oath at this time, many conflicting interpretations having been heard by them regarding the effect of the latest oath. They are told to exercise their own judgment regarding taking it and they prefer to wait.

These are some of the difficulties which fell to the lot of national guardsmen who responded to a call to duty and have returned to their homes to find that in some quarters at least there is dissatisfaction with their conduct and their existence. And before sufficient time had elapsed for an analysis of the situation the cry was heard in many quarters



for the abolition of the national guard, — the volunteer system must go, — let us have compulsory universal service.

The remedy prescribed is not specific, is not based on a thorough diagnosis and may hurt the patient. This attitude of public mind has asserted itself in other phases of our municipal, state, and national existence.

In our own city we had the striking example of a man being elected to office on a platform of immediate municipal ownership of our complicated transportation facilities, when as a matter of fact we did not know then and do not now know how to operate successfully the elevators of the city hall.

Displeasure with the failure of legislators to respond to the popular clamor for certain legislation brought forth a demand for initiative and referendum and in certain states the incorporation of the principle in the state constitution.

Dissatisfaction with certain individual judges and the refusal of some to become lawmakers was responsible for the legal heresy of recall of judicial decisions and the judges themselves.

And now it is compulsory universal military service and the twin brother, — the abolition of the national guard.

Take away from the national guard the standing entitling it to be part of the federal army in case of war and relegate it to a position of a state police force, and there will be no national guard.

I am not for compulsory universal military service in the sense in which the term implies that every young man of a certain age be taken away from school or work for a period of a year or two, put under arms and made a part of a huge standing army. I do favor a system which will compel every young man to undertake a certain amount of military training and will furnish the United States with a national army consisting of all classes of people and of a



size which our military experts, the general staff of the army, may determine from time to time to be adequate.

Here are some concrete suggestions which in my opinion should be incorporated in a plan for the military establishment of the United States, and for the navy, with such modifications as that service may require.

Active service in Cuba in 1898 as a member of my regiment, continued service and observation during the last nineteen years, consultation with national guardsmen and army officers serve as a basis for the plan, the principal features of which are the following:

I propose that the military forces of the United States shall consist of:

National Army, constituting the first line;

The National Guard, constituting the second line, and

A reserve, constituting the third line. And this idea of a reserve for the third line shall not interfere with any plan for reserve units for each of the lines.

I propose that each congressional district be made a military district, all men to report to United States government officials in each congressional district for registration on the first day of July succeeding the nineteenth birthday. From registration lists so made up shall be stricken the names of men found to be physically unfit after strict medical examination by United States surgeons.

The difficulties experienced in Texas with men who had dependent families suggests the advisability of striking from the list the names of men who are the sole support of families. These men should go to the reserve in the first instance.

All men registered shall be divided into two classes:

The first class shall consist of men who voluntarily put themselves in the way of securing a prescribed course of military training.

The second class shall consist of those who do not, and



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from this class recruits for the national army shall be drawn in the first instance.

To put it in greater detail:

The first class shall contain men who shall, at time of registration or prior thereto, have become members of national guard organizations, approved by the War Department; men who had two years of military training in a military school or academy, approved by the War Department, and men who shall, at time of registration or prior thereto, have entered or in writing agreed to enter the military corps of colleges or universities approved by the War Department and agreed to take a prescribed course of military training of not less than two years.

The second class shall contain all others.

The War Department shall designate yearly the number of recruits required for the national army in each congressional district, such recruits to be selected by lot from members of the second class, opportunity first being given for voluntary enlistment. If there is not a sufficient number in the second class the required number shall be drawn from the first class to fill the quota.

The term of service in the national army shall be two years on the active list and thereafter three years in the reserve.

All members of the second class who shall not be mustered in the national army shall be part of the reserve, as shall all members of the first class upon the completion of their respective prescribed courses of training.

Different grades of reserve shall be established depending on the nature of military service and experience. The reserves to be organized into military units with officers from the active or reserve lists. Each year for a brief period the military commander of each congressional district shall call the members of the reserve to the colors. Provision to be made for training certain members of the reserve for quar-



termaster, commissary, hospital, technical, and clerical service.

Failure to complete a course of enlistment of three years in the national guard or two years of training in schools, colleges, and universities in accordance with rules laid down by the War Department shall transfer a man from first to second class.

Penalties should be provided for evasion of enlistment.

What are the advantages of the plan suggested?

Every one except physically unfit will receive military training in the army, national guard, schools, colleges or reserves.

It gives the country an ever-changing citizen army drawn on a fair and equitable basis from every class of citizens. A hired mercenary army has no place in a free republic. Besides, experience has shown the inability of the government to hire enough men for an army of the required size. Our government has gone to extremes and has employed methods which would not be countenanced by reputable business houses in advertising the attractiveness of service in the regular army as it is now constituted. The fact that the government is refusing to release men now in Texas whose term of enlistment has expired shows this to be a time of necessity when the army should be recruited to its full strength. And yet the present strength of the army is 35,000 below the authorized number. The government cannot get the men.

The plan suggested provides for an army capable of expansion as the necessity may require. It does away with the practice of enacting special legislation every time an emergency arises requiring a change in the size of the army.

The general staff of the army has estimated that for our purposes an army of 500,000 is required at this time. Two years' enlistment in the national army would make the yearly requirement 250,000 men. There are 435 congres-



sional districts, making the yearly quota per districts but 500 men, a number so small as to make the effect on our industrial service negligible.

And the cost of maintaining a military establishment of the kind suggested will, of course, be considerably lower than the cost incident to a plan calling for putting every man of a certain age with the colors for a period of two years. Thoughtful consideration will prompt a decision in favor of a two years' term of enlistment in the national army in order to give the country a fairly good sized body of seasoned troops. It is estimated that between 900,000 and 1,000,000 yearly reach the age of nineteen. Making allowance for physically unfit and other losses we would have a standing army of at least 1,500,000. It is further estimated that it costs our government on a basis of \$1,000 per man. This would make the cost of maintaining such an army \$1,500,-000,000. Under my plan only every fourth man would go into the national army. The others would receive their training in the national guard, schools, colleges, and universities at a much lower cost.

An important feature of the plan is the one which puts into the reserves all the able bodied men of the country. The successful termination of a military conflict depends not only on the men in active service ready to take the field on short notice, but on the size of the reserve ready to take the place of the wastage in battle. The reserve, to be effective, must have not only individual, but, what is more important, organizational training.

Necessity in the first instance compelled Germany to realize the value of its reserve and now that it is being put to the supreme test it is demonstrated that its strength lies in the reserve. When at Jena, Napoleon shattered the Prussian army he sought protection for the future in compelling Prussia to agree to limit its army to 42,000 men. The illustrious Scharnhorst, without arousing Napoleon's



suspensions, conceived the idea of replacing one group of young men, after a short term of service, with another group. The men leaving the army were carried by him as a reserve.

Six years elapsed after the treaty of Tilsit and when 1813 came, Prussia, with a population of five million inhabitants, mobilized, in evasion of the restrictions incorporated in the Tilsit Treaty by Napoleon, 300,000 soldiers, 250,000 of whom were the reserves created by Scharnhorst's genius.

Today the reserves of Germany are contributing to her military successes as Scharnhorst's reserves did to the defeat of Napoleon.

Without discussing the different kinds of reserve troops and the transition from one state of reserve to another, it might be well to bring to your attention that the following number of fully trained reserves passing from peace to war footing were part of the European armies at the beginning of the European war:

|                   |           |
|-------------------|-----------|
| France . . . . .  | 2,300,000 |
| Germany . . . . . | 4,000,000 |
| Austria . . . . . | 1,600,000 |
| Russia . . . . .  | 3,800,000 |
| Italy . . . . .   | 1,250,000 |

There is no necessity at this time for estimating the size of our reserve, but under the plan, all will be in the reserve and will receive such training as will make them useful soldiers.

The flexibility of the plan is such that in case of limitations of armies throughout the world the American army can readily be reduced in accordance with such a plan.

As to schools: Since it will be the expectation of the parents that in one way or another their sons will be called upon to undergo a course of military training they will exercise their influence in having a course of military training in all of our schools and colleges. The by-products of military



training in schools cannot be over-estimated. They are courage, self-reliance, obedience, responsibility, and practical patriotism.

The plan encourages enlistment in the national guard. I feel strongly the necessity of preserving the institution of the guard. It has proved its usefulness as an arm of the state, insuring domestic tranquility and as a living and breathing example of the ideal of American patriotism which expresses itself in the willingness of men to voluntarily serve their state and country and if need be give their lives in such service. With a higher degree of efficiency, its field of usefulness to the state and nation will be increased. I repeat what I said before — deprive the national guard of an opportunity to be a part of the federal forces and you defeat the fundamental reason which prompts young men to enlist in the national guard.

The criticism that training in the national guard regiments has been inefficient and failed to produce trained men is silenced by the provision suggested that all such training shall be under the supervision of the War Department and that only such men shall be exempt from the compulsory feature of the law as have received training in national guard organizations whose course of training bears the approval of the War Department.

Let the federal government equip the national guard; let the equipment remain the property of the United States; let the accountability be direct from the regimental accountable officer to the government, eliminating the necessity of transfer back and forth when the guard is called into federal service; let the government supervise in the first instance the physical examination of recruits; let army officers, at least one to a battalion, be detailed to the national guard as instructors in times of peace; let there be a definite plan for intensive training of the national guard when called into service; let provision be made in advance for all matters



incident to mobilization; let ample facilities be provided for the handling of large bodies of volunteer troops, and the national guard with its demonstrated desire for service will be an efficient and effective part of the military establishment of the United States.

I have stated the essentials of the plan and attempted to point out its effect. I now submit this plan to your thoughtful consideration. A plan, incomplete as to details, but insofar as fallible judgment may be trusted, a plan elastic, economical, practical, a plan that is in keeping with the fundamentals which the forefathers wrote into the constitution and one that does not confound mercenary allegiance with the great force of patriotic sentiment.

PRESIDENT FORGAN: Gentlemen, at our special meeting last April, I had the pleasure of presenting the next speaker to you. An introduction to this club of so well-known a citizen and public man of affairs seemed like a superfluous formality then and seems even more so now.

Since then he has gained great military praise and glory for himself and his regiment for the soldiery efficiency they demonstrated while on the Mexican border.

You may remember that at our former meeting General Dickson referred to him as the philosophic apostle of preparedness who as a speaker on the subject has many imitators, few equals and no superior. He demonstrated the truthfulness of the general's description of him then and will, I feel sure, do so again.

Gentlemen, Colonel Foreman.

COLONEL MILTON J. FOREMAN: President Forgan and gentlemen of the Commercial Club:

In considering the subject presented for discussion tonight and before touching upon an exposition of what it involves, in order to arrive at any conclusion, inconclusive



as it may be, it is necessary to pay some attention to what has happened since the national defense act, more contemptuously referred to as the Hay bill, was passed, and how well founded some of the statements and conclusions are that have been born of the passage of that act, and the Mexican border duty of the national guard.

When last I had the privilege of addressing this club, when General Dickson, for lack of other things to fill in his speech with, described me as a patent medicine hero, there were two military bills under consideration in the House and Senate committees of Congress. It will be recalled that each body finally passed its own bill and that in conference a deadlock ensued. It will be further remembered that the major and really the only important difference between the two bills related to what the authorized strength of the regular army should be.

As I recall it, the House conferees favored a standing army of something over one hundred thousand men, while the Senate bill provided for an army of nearly three times that number. The conferees finally agreed upon an army of one hundred and eighty-five thousand men, the increase to be obtained in five annual increments, and in that form the bill was finally passed and became a law on June 3, 1916.

Prior to the passage of that act, sometime in the early spring of 1916, Congress, at the request of the President of the United States, passed an act authorizing and directing that the then existing units of the army be enlisted to war strength, a total increase of twenty-six thousand men. Neither at the time of the passage of this act nor in the debates on the act of June 3rd, either in the House or Senate, was enforced service in the regular army discussed or touched upon.

After the so-called continental army scheme was thrown into the scrap pile with the unanimous approval of every-



body but the then Secretary of War, it was proposed to develop a second line force by federalizing the national guard by placing it under the control of the war department and under the command of the President of the United States; and the militia provisions of the national defense act of June 3rd are the results of these proposals. These provisions were viciously and bitterly opposed on the following grounds:

First: It was urged that the so-called federalizing of the national guard would never make it a force available or dependable in time of national need, because instead of having one supreme commander in the President of the United States it would have forty-eight in the persons of the governors of the several states, and that each one would determine for himself whether the call of the President should be obeyed.

Second: It was claimed that if the President called on the national guard for war duty and the governors acquiesced, the members of the guard would refuse to respond to the call.

Let us see what the facts are, and in discussing them I propose to confine myself to things historically demonstrated. I shall not indulge in speculation or prophecy.

The national defense act naturally divides itself into two parts; that relating to the regular army, and that relating to the national guard.

The two parts could well have been passed as separate acts because they are not dependent upon or in any way connected with one another.

Let us assume that they were separate acts, and that the regular army act provided for as large a number of soldiers for the regular army as the most extreme of the large army men advocated. Would the result since the passage of the bill have been different so far as the regular army is concerned? The act so far as it relates to the



regular army was satisfactory to everybody except in regard to size. So bearing in mind that when the act was considered, there was no hint or suggestion that the regular army should be recruited except by voluntary enlistment, no intimation of the desirability or necessity of enforced service, it must be admitted that the law, so far as the regular army is concerned, has failed to secure the desired number of soldiers and although thousands of dollars were spent in advertising and other propaganda, neither the authorized increment, nor the twenty-six thousand men authorized in the earlier act were obtained.

I ask you to remember that this section has nothing to do with, and that its failure cannot be imputed to, the Militia sections of the act.

As a matter of fact new units of the regular army were formed under the national defense act by the simple expedient of taking their components from old organizations. For example, the Sixteenth Cavalry was made by taking part of the body of the Third Cavalry; and the Thirty-sixth Infantry was made by taking part of the body of the Fourth Infantry, and that was the rule wherever new units were created.

The regular army features must stand by themselves. They have failed and that failure is the failure of the army to secure the men.

Now, let us pass to the portion of the act which has been most vigorously and viciously attacked; namely, the federalizing of the national guard. As I stated before, those opposing the federalizing of the national guard and the payment of its members, did so upon two general grounds; first, that the President of the United States could not exert the necessary authority over forty-eight governors who nominally controlled the guard of the several states; and, second, that when a call came for war service the members of the national guard would not respond. Let us consider the facts.



The national defense act became effective on the third day of June, 1916. About the sixteenth of June, or thirteen days after it became a law, the President of the United States called on the governors of the several states for the services of the national guard for Mexican border duty and in response to that call more than one hundred and thirty thousand men dropped their civilian pursuits, reported at their armories and were sent to mobilization camps as fast as transportation could be provided. From the moment they reported at the mobilization camps the authority of the governor automatically ceased, and they became subject to the authority of the President through officers detailed by the War Department. One hundred thousand of the men were sent to Texas practically at once, and the balance impatiently waited at the various mobilization camps. These facts are incontrovertible, because they actually occurred, and they completely disprove the claim with respect to conflict of authority between the President and the governors and that the guard would not respond to a call.

Now, what are the further facts, on which I speak only from the experience of my regiment. From the moment we reached the mobilization camp at Springfield, we were directly and solely under the control of officers of the United States army. We had as national guardsmen sworn to obey the commands of the President of the United States, but in the ceremony of mustering us into the service of the United States a second oath was administered. Every man except eight bandsmen took that oath, and asked no questions as to his obligation under the oath or the length or character of the service. When we were on border duty on the Rio Grande, certain authorized appointments in the commissioned personnel of the regiment were made and it became necessary that the appointees be mustered into the federal service, as we had been mustered in at Springfield.



I was directed to send our muster rolls to the chief mustering office at Fort Brown, and after a week or ten days of investigation I was told that the officers could not be mustered in. The chief mustering officer said: "You were given the wrong oath at Springfield and you have no status." I replied that we were mustered in under an oath given us by the United States army officer in charge of our muster in, to which he replied that, be that it might, we had taken the wrong oath and therefore had no status, and not only could we not muster in any more officers, but we had several more than we were entitled to. He said: "You are neither national guard, organized militia or national defense act troops."

I pointed out that we had been under exclusive control and command of the War Department since June 16, 1916; that we had been doing military duty on the banks of the Rio Grande for several months, all of which he allowed was true, but even that would not invest us with status.

In other words, even though thirteen days had elapsed from the time the national defense act became a law it had not been put into force and effect so far as the national guard was concerned, and we had been called out by the President under the power conferred on him by the constitution, and not under the national defense act. More than one hundred thousand national guardsmen responded to the call and performed efficiently the duties to which they were assigned. Does that look like failure? Which is the greater failure, the record the regular army made under the national defense act or that of the national guard in response to the call for border duty?

Let us remember that the national guard has not up to this time been either governed or trained under the national defense act. Who knows what it will do for us or with us? For all that we know it may produce everything we hope, but it should have a chance to be tried out.



It is being interpreted by unfriendly men and unfriendly minds that it should not be judged and sentenced until it has at least been tried. Ah, they say, look at the huge sum of money wasted on paying the national guard. This "monumental failure" of one hundred and thirty thousand men, partly trained though it was, was sufficiently trained so that in a comparatively short time the greater part of its units could perform all of the duties that were required of them as second line troops.

With respect to the pay of the national guard, the government is in exactly the same situation as the man who complained to a friend one morning: "I don't know what to do about my wife. Every morning she begs and pleads for money, until I am about crazy." "What does she do with all the money?" asked the friend. "I don't know," was the reply, "I haven't given her any yet."

Not a single dollar has been paid to the national guard as compensation under the national defense act. Ah, but they say, your men won't enlist again. They are refusing to take the new oath. The men took one oath when they enlisted in the national guard, and another when they were mustered into the United States service. Some of them think it is almost as many oaths as ought to be administered, inasmuch as they are ready to carry out their contracts of enlistment under either oath. But I don't know what they will do—because we have been unable to get any enlistment blanks, although we have made many requests for them.

When the First Illinois Cavalry returned from the Rio Grande it was sent to Fort Sheridan, Illinois. Six or seven army officers were detailed for the muster out of the regiment. This ceremony held twelve hundred men in camp under government pay and subsistence for four full weeks, not to speak of the loss to employers, who were paying the men, and to the men themselves. And this was not under the national defense act.



So we find that while the regular army has failed to secure the troops provided by the national defense act, the national guard which did not have the benefits of the act produced over one hundred and thirty thousand men for duty in a national crisis which was supposed to be imminent.

Ah, but it is said, look at the men who should not have gone. Think of the suffering of the deserted wives and children. Perhaps that is true. Perhaps there were men who in view of their responsibilities should not have been subjected to the burden. I think that of my regiment perhaps fifteen per cent might well have been left at home. Most of the dependent applications, however, did not come from wives, but from parents, many of whom were beyond the pale of ordinary dependency. As a matter of fact one lawyer practicing in Chicago whose father is rated at three-quarters of a million secured his discharge on dependency grounds.

We are all agreed that some stable form of adequate military defense must be devised, some plan by which the burdens of service are equally distributed.

The first thing we require is a regular army which shall be equal to the first line troops of any country of which we may become the adversary. Such troops cannot be secured by magic. They can only be produced by hard, constant, continuous training.

We should first determine how large a regular army we want, and it should be large enough to handle a situation such as confronted Washington when the national guard was called to the Mexican border, and leave enough men so that our coast defenses and insular possessions will not be entirely denuded of soldiers.

Having determined the question of the size of the first line, we are at once face to face with the fact that, even in the numbers now authorized, we have been unable to get soldiers for the regular army, and we must look for a method



of obtaining them. One of two courses seems to be inevitable. We must make service in the army a competitive occupation with civil pursuits, or we must have conscription.

If we adopt the first course we are confronted first by the danger of making our regular military establishment a mercenary army, an army of Hessians, who are stimulated by no patriotic impulses, by no love of country, but by the money that is in it, and second, by an expense bill which will be so large that it might make general training impossible.

If we resort to conscription we are threatened with the troubles which other countries have encountered which have attempted this course. Whether the agitation against conscription will become so virulent as to seriously hamper and perhaps destroy the growing sentiment for general military training and service is a guess which only the future can solve.

What comes then? Some of the proponents of the many plans for general or universal training or service or of partial training or service are apparently blind to the fact that we cannot maintain an army large enough for all exigencies, and that back of the first line there must be a second line that has been organizationally trained, which may be instantly placed in the field and quickly fitted to support the first line troops if the circumstances require.

There are those who advocate the elimination of the national guard as an element of national defense, and they urge as a reason that the expenditure of money on the national guard means that the general military training of the youth of the country will be interfered with by reason of the expenditures necessary to maintain it.

Let us assume that the national guard is eliminated and that we have a regular army only large enough for our ordinary peace purposes. I understand there is no agree-



ment among those who are active in these matters as to just the length of time that men should be trained. For example, in a speech before the National Security League, Captain Cosby, according to the newspaper reports, proposed as follows:

The actual service consists of only four years' work between the ages of 18 and 23, during the first of which the young man has two months' intensive training in camp and two weeks in each of the other three years, making only fourteen weeks actual service during four years.

Colonel Roosevelt on the other hand advocates universal service as distinguished from universal training.

General S. M. B. Young, U. S. A., urges a year of continuous training.

General Scott says it will take at least six months more than the national guard had in Texas to fit it to go on the firing line.

Suppose an actual situation arose such as Washington believed existed on the Mexican border, or suppose an emergency were to arise on the coast line of the United States. How long would it take to bring these young men together and to organize them into effective organizations? The organizational training would take longer than individual training, and without organizational training they would be useless. And what would we or our enemies be doing while we were constructing our organizations? If we can produce in the United States a quarter of a million organized troops, such as went to the Mexican border, with the training which is provided by the national defense act, amplified or increased as may be found necessary, we will have a second line force that can be made first line troops in a very short time.

We then come to consider how many young men we can safely and adequately handle in a general training or service scheme. The extent of the training and the number



to be trained, and the method of selecting that number, must be determined so that the financial and economic burden shall be not so great as to endanger continued military training.

When a young man goes into training he must be treated as an individual. His military capacity must not be developed at the expense of his morals or manhood. He should not be made merely a part of a military machine. Only so many men ought to be taken as can be handled with advantage and safety to themselves and to the country.

Manifestly we cannot embark in this most important enterprise — the most critical adventure in which this country has ever embarked — unless we know what we are doing. Before we build a building, we must be certain of our foundation. Our foundational trouble is our army organization. Whether it is due to bureau rule, or what not, I state no opinion, but the fact remains that a general staff that is subject to continual changes, a new chief of staff every four years, and a war college that changes every now and then, with no definite fixed determinations of policy and procedure, can not produce a military system worth having. The first thing we must do therefore is to make the organization of the directing element stable and permanent, so that a policy, when once determined, shall be wisely and logically prosecuted.

How shall we decide what course to pursue? What plan shall we adopt? Every organization has its own solution; army officers, magazine writers and many others have written tomes and tomes of solutions. And if we adopt any one of them who shall be responsible for failure? This is a national question, and it means a mobilization of the patriotism and the resources and the capacity and the brains of this country.

Officers of the army, no matter how capable or experienced they may be, are not able to formulate such a policy



as will properly provide for the mobilization of the elements necessary for the nation's defense or the training of its civilian population. This involves the social, economic and political elements of our population. The strategic and tactical features and the actual training may well be left to soldiers, but the solution of the problem itself is much greater than its single military feature.

Manifestly no military legislation that is worth while can be produced at the present short session of Congress. Let a commission be appointed by the President of the United States; to consist of officers of the army of the United States of experience and judgment, of members of both houses of Congress, representatives of the organized militia of the United States, and a sufficient number of civilians adequately to represent the social and industrial life of the country. Let this commission during the year 1917 pursue an exhaustive investigation into every phase of our military and defense problems. Let it make a comprehensive report to Congress in December, 1917, which will make recommendations for specific legislation. We have tariff commissions, and currency commissions, and commissions to investigate and control everything imaginable, except the one subject which is most important to our national life and of which we know least.

The recommendation of a commission of brave, patriotic, unselfish men of character will command the respect and confidence of the country and their recommendation will have the support of the people. It is a time for investigation and consideration. We cannot do anything without the support of the country. We are not entitled to the support of the country unless the program which is presented is the calm, cool result of the judgment of men who have given it their careful, unremitting, unselfish study and attention, and whose capacity and patriotic impulses and purposes cannot be questioned.



PRESIDENT FORGAN: Gentlemen, I am sure I express the sentiments of every member of the Club present and all the guests when I say that Colonel Foreman and Major Davis are entitled to our most sincere thanks for the very able way they have gone into the subject before us this evening. I therefore convey the thanks of the Club to you, Colonel Foreman and you, Major Davis.

I declare the meeting adjourned.



# TWO HUNDRED AND FIFTY-FIRST REGULAR MEETING

SATURDAY, JANUARY 13, 1917

Open Meeting: President Forgan Presiding  
Invocation: Reverend James S. Stone

## PROGRAM

WORK OF THE FEDERAL TRADE COMMISSION

Hon. Edward N. Hurley,  
Chairman of the Commission

PRESIDENT FORGAN: Gentlemen, for some years prior to the organization of the Federal Trade Commission an utter lack of harmony existed between Government and business.

Government's attitude towards business had become inquisitorially destructive rather than co-operatively constructive.

It cannot be denied that under rapid development some questionable methods and unfair practices had crept into business which it was desirable should be eliminated. In the process of elimination, however, proper discrimination was lacking and the investigations and legal actions instituted by the government followed by the passage of restrictive and repressive legislation by congress threatened the entire business structure of the country. A popular sentiment antagonistic to business interests, especially large interests, manifested itself and criticism and condemnation became so general that greater proportion, suffered with the guilty.



To have been successful in business and to have accumulated capital in it was accepted as evidence of dishonest practices and money so acquired was popularly regarded as tainted and so designated. The rich were stigmatized as the predatory class.

There was a popular clamour for business reform promulgated and catered to by politicians and government is not to be blamed for having taken cognizance of it. Members of congress are elected on the popular clamour of the times, whatever it may be and however it may have been promulgated. But popular sentiment flows and ebbs like the waves of the sea and about three years ago the clamour against business having exhausted itself public opinion changed.

The effect of the government's inquisitorial methods and of restrictive legislation by congress produced a growing general business apathy and a depression which threatened widespread distress and suffering. This produced a decided change in public sentiment and later in government policy.

The public began to realize that Burns' estimate of men might even be applied to men of business:

“I'll no say men are villains a'  
The real hardened wicked  
Wha hae nae check but human law  
Are to a few restricted.”

We were saved from the dire effects of this apathy and depression by the revival of business brought about by the breaking out of the war in Europe. Prior to this, however, a growing change in the sentiment of the public towards business had manifested itself and congress, quick to discern the change had deemed it wise to enact some legislation of a helpful and constructive nature. Of this class were the Federal Trade Commission Act and the Federal Reserve



Act. Under these acts the Federal Trade Commission and the Federal Reserve Board have been organized and the aims and attainments of both have certainly been constructive and helpful to the development of business along economically sound, scientifically correct and ethically proper lines.

Your executive committee has secured the promise of Mr. Paul Warburg, vice-governor of the Federal Reserve Board to address you later in the season on the work of that board. Tonight we have with us the chairman of the Federal Trade Commission who will address you on the work it has accomplished and expects to accomplish in the business interests of the country.

Being a citizen of Chicago and one of our successful business men he is so well known as to need no introduction here. His work as chairman of the Federal Trade Commission has commanded country-wide attention especially in his analysis of the lack of proper accounting and of proper methods for computing costs prevalent in industrial establishments. In his book recently published on the "Awakening of Business" he gives the business men of the country much food for thought along with many good suggestions and some good advice for the development of business on a sound basis.

We regret exceedingly that he has recently found it necessary to resign his position and that the Federal Trade Commission will no longer have his guidance in the exercise of that wisdom of which Solomon has said "Her ways are ways of pleasantness and all her paths are peace." Under his leadership greatly to the reassurance of business men, the Commission has shown wisdom of this kind and the antagonism between government and business has been greatly diminished.

The following quotation from the concluding chapter of his book gives the keynote of his leadership and discloses the



spirit of helpfulness and co-operation in which the Commission are performing their duties. He writes:

“Before the really big work of perfecting American business can be done there must be a change of heart on the part of both business men and those public men placed by the people in charge of government. Business men on their part must cease to look to immediate profits at the expense of the soundness of their business. They need and must have a more comprehensive view of business; they must look at their business in the light of its self-perpetuation and future strength and also in its relation to the other members of the same industry. Government on its part must abandon the attitude of the policeman and become the sympathetic, constructive counsellor of American business life.

“Private initiative must continue to be the great motive force of business. Business men must aid themselves. They should scrap forever unsound business methods and all adopt methods which are thorough — which will enable them at any time to know the exact condition of their business. The element of guess, wherever it exists, must go. Cost accounting must be accurate and detailed enough to permit an intelligent pricing of goods. Financial statements must be honest. System must prevail throughout our manufacturing and merchandising establishments. Waste of materials and labor must stop in every stage of production and marketing. The need of better methods is evidenced by the eagerness with which thousands of progressive business men are seeking light on this subject.”

But I must not further anticipate what he is here himself to tell you about the commission and its work. I have the honor to present Honorable Edward N. Hurley, Chairman of the Federal Trade Commission.



### WORK OF THE FEDERAL TRADE COMMISSION

HONORABLE EDWARD N. HURLEY. President Forgan and members of the Commercial Club: I am particularly pleased to address the members of this club,—in my home town,—composed of men I know and believe in. The membership of the Commercial Club of Chicago is made up of successful business men with broad visions and with a wide experience in business affairs. They have a keen desire to do something worth while for our city, state and nation, which makes this club an ideal organization to take up and discuss any question that concerns the public welfare.

We live in a day of almost universal unrest. We realize that something is wrong, but we can't exactly put our finger on the trouble. Always we have the horrors of the war before us, the spectacle of nations blindly groping towards salvation. At home we have measurable prosperity, with a difference of opinion as to its causes and its probable duration. At the same time, we have a situation where prices seem to be racing with wages. All are agreed that our affairs need readjustment, that alternating periods of feast and famine do not encourage stability of effort, and that the remedy does not lie alone through political platforms and experimental legislation.

When I went to Washington I had a feeling, like many other business men, that the government, particularly the department of justice, was devoting most of its time to making attacks on business. You probably have felt the same way about it. After being there a few months and after meeting with a great many business men who appeared before the Federal Trade Commission, I found that in fact very little attention was being paid to business in a constructive way, and that government was not particularly concerned about what happened to it.

Unfortunately, our business men and our government



have been losing valuable time during the past 20 years in trying to settle our economic and business problems, not by co-operation, not by any scientific method which will bring about results beneficial to our people as a whole, but by resorting to the courts. I know business has been sick, and business has undoubtedly been in a large measure to blame for its illness, but instead of sending for a doctor who could prescribe a remedy that would give practical and permanent relief, the government sent for lawyers and you know the result.

I found that a great many laws had been passed by Congress to regulate business and to remedy many of our so-called ills. I found that the business men of the country who had urged the passage of these laws were asking for their repeal. In between the government and business were economists who were trying to work out in their own way an economic solution of the question, but instead of solving it from the strictly economic point of view I found they were reading the decisions of the courts and were seeking to remedy the situation by recommending the passage of other laws.

I also learned that almost all of the complaints in Washington which relate to business are made by business men themselves. The problems which they presented involved very often trade differences and misunderstandings which might easily have been solved by co-operative effort among themselves. Too often these complaints involved trifling matters and revealed an evident lack of comprehension of the fundamental questions of their industry.

While this failure to understand the proper functions of government in its relation to business appealed to me as fundamentally wrong, I found when I began to take steps to change it that I did not have at hand any adequate information about business. A group of business men, for example, would call on the Federal Trade Commission and



ask for assistance as to what they could do to improve the condition of their business through their trade association. We endeavored to obtain the facts about their industry, but we could find nothing in the government records but a few bulletins or circulars and some general statistics. We then requested the business men to furnish the facts. In attempting to comply with this request many of them would guess at almost every statement they made, and very often frankly admitted that only about 10 per cent of the firms in their industry had adequate information about the cost of production or selling, and that there were no data compiled that they could give us that would enable us intelligently to give them the assistance and advice that we were all anxious they should have. They were all competitors, their industry was demoralized, and the most far-seeing members wanted to get together to see if something could not be done to relieve a very bad situation. We were naturally sympathetic and anxious to be of some help, but we had no facts or figures to work on.

The Federal Trade Commission, in a preliminary investigation, found that, leaving out of consideration the banking, railroad and public utilities corporations and referring only to those that have to do with trade and industry, there were about 250,000 business corporations in the country. The astonishing thing is that in 1914, of this number 100,000 had no net income whatever, 90,000 made less than \$5,000 a year, while the remaining 60,000, the more successful ones, made \$5,000 a year and over.

Turning now from net income to the total volume of business done by the 60,000 successful corporations in the United States, we found that 20,000 made annual sales of less than \$100,000; 20,000 more sold goods valued at from \$100,000 to \$250,000; 10,000 more from \$250,000 to \$500,000

Of the sixty thousand, 5,000 ship annually half a million to a million dollars worth of goods; 4,500 corporations have



total sales from a million to five million dollars; while only 462 of these industrial and mercantile corporations in the United States do a business of \$5,000,000 or more a year.

These striking figures exhibit a condition which has existed for many years. They show conclusively that big business, while important, constitutes but a small fraction of the trade and industry of the United States. They make clear that there is an unduly large proportion of unsuccessful business concerns.

Business really lacks the machinery for furnishing adequate information, and without adequate information business cannot proceed intelligently. The question which confronted the Federal Trade Commission was, what is the remedy? I felt that just as most differences of opinion are due to vague definition, so most economic differences are due to conflicting data and insufficient facts.

The Federal Trade Commission realized the seriousness of the situation and began its work at the foundation. It recognized that the basis for any industry is a solid foundation of fact, and that to build any structure successfully the foundation must be laid below the frost line.

We are a new country and a few years ago we did not have the keen competition at home that we now have and the necessity for watching the new details of our business was not required. But, gentlemen, the days for "happy-go-lucky" business methods are past. We now have keen competition in our home markets, and we must realize that we are going to have even keener competition in the markets of the world. We must face conditions as they exist.

It is recognized that a business man must be concerned not only with the efficiency of his own business but with the efficiency of his competitor's business, and realize that unhealthiness anywhere in his industry will react seriously on him.

It is a fact well understood among business men that the



general demoralization in a large number of industries has been caused by firms who cut prices not knowing what their goods actually cost to manufacture.

The cost of selling which is equally important is often almost wholly lost sight of.

Are the officers of the companies and firms who are cutting prices right and left irrespective of their cost, fair to their customers, stockholders or competitors?

Quality and service are becoming greater factors in the field of merchandising. Long after the price of a product is forgotten the quality is remembered.

The man who does not know his true costs is the man who prices his goods foolishly and thereby impairs the business of his sound competitors at the same time that he ruins his own.

Too low price making based on guesswork or on partial cost is a menace to sound business.

Please understand me, the menace is not in underselling, for a business concern must expect to face the low prices that are due to efficiency. But even the most efficient concern is not always able to meet cut-throat prices based on ignorance.

The fact that hundreds of industries are at the present time without adequate information led me to urge upon the Federal Trade Commission the importance of a comprehensive campaign of education in cost accounting. Before we could obtain the data which we needed so badly in the consideration of business problems, American industry had to have the machinery by which it could furnish the information which we desired. It seemed to me that our business problems were being approached from the wrong end. For example, in the past year \$380,000 have been spent by the Federal Trade Commission upon economic investigation and legal proceedings for the adjustment of trade disputes, and only the small sum of \$10,000 was spent



in the cost accounting campaign. For twenty years the same method has been employed by the government to try to find out the facts. The many special investigations which have been made have, of course, been helpful, particularly to those industries to which reform in cost accounting was brought home. But it seemed to me that too much attention had been given to particular cases which happened, for the time, to confront congress or the department of justice, and too little attention had been given to the broad fundamental problem of the method of obtaining facts which, if solved by the installation of adequate cost accounting systems in our factories, would remove many of the difficulties arising between competitors in business and between government and business.

The Federal Trade Commission has urged upon business men the importance of installing adequate cost accounting systems. We have sent out to the business men of the country, both manufacturers and retail merchants, approximately 350,000 cost accounting pamphlets, and thousands of letters have been received in reply commending the Commission for this work. We have, through our expert accountants, co-operated with trade associations which are endeavoring to work out uniform and adequate cost accounting systems for their entire industry. If we receive the appropriation from congress which I believe the importance of this work warrants, it is our purpose to divide the country into zones and to place in each zone a number of cost accounting experts whose duty it shall be to educate business men, through their trade associations, in better methods of keeping their books and working out their costs of production. It is not our intention to urge any particular method. Each particular industry must work out its own plan, and in its own way. When the manufacturers in a given industry, however, have found a system that is uniform and satisfactory to them, and this system is pre-



sented to the Federal Trade Commission, the commission will consider the plan carefully and if it is sound will approve it as the standard system for that particular industry.

Supplemental to our cost accounting work, we have asked the institute of public accountants to draw up a set of rules and regulations which will govern the making out of certified statements as well as guide all accountants and auditors in the making up of balance sheets. Our hope is to reach some uniform basis for the handling of depreciation and other items so that balance sheets upon which bankers base their credit risks will be sound and reveal the true state of the business upon which they are based. It had developed that, even in the case of reports made by certified public accountants, the reported values of assets are frequently misleading, because depreciations have not been properly allowed for, and no statement made in the report from which the bank, using it as a basis of credit, can form any correct idea of the value of the plant as a going concern, or its value as an asset in case of the failure of the owner.

It is also proposed that a registry of public accountants be established by the Federal Reserve Board and rules made governing the admission of accountants to registry and the withdrawal of permission to use the registry number in any case in which the accountant to whom that number has been assigned is guilty of negligence, fraud, or violation of the regulations. It is not intended that an accountant receiving permission to use the registry number shall be required to perform all of his work in accordance with established regulations, or to use the number in connection with every report made by him of an audit or examination; but it is intended that whenever he does affix his registry number it will be only with the statement appended that the examination or audit, in that particular case, was made in strict accordance with the regulations. Under these circumstances an accountant would be entirely at liberty to



make an examination in whatever way he might consider necessary, and cover whatever ground his employer might wish him to cover, or give in connection with the work a certificate containing any qualifications he might see fit to embody; but he could not affix his United States registry number unless the examination or audit has complied in every respect with the requirements provided for in the government regulations.

I predict that within five years there will be very little money loaned by any banker in the United States to any merchant or manufacturer who does not present a statement showing detailed information not only regarding his true assets and liabilities, but also indicating that he is conducting his business in an efficient manner and that he absolutely knows his true costs.

With an adequate cost accounting system in the industries of this country, the gathering of information would be made comparatively easy and the task of government in its solution of public problems would be greatly simplified. Cost accounting would also be of great benefit to industry itself, and anything which makes industry more intelligent and efficient ultimately benefits the public as a whole. A good business man is a more vital asset to a community than a poor one. He employs capital and labor, and increases substantially the wealth of the community. In asking business men to better their business methods, the Federal Trade Commission believes that it is doing a substantial public service.

Business men, after they have put their own factories in order, must learn the lesson of wise co-operation. In the past, I regret to say, some business men have misconceived the purpose of co-operation. They have united their efforts in combinations and trade associations for the purpose of fixing prices and controlling the market for their own selfish interests. As a result of the conflict between



business men and the government, many business men have become suspicious of co-operation and have been led to think that because some forms of co-operative effort had been condemned, the government was opposed to all forms of co-operation. They have, as a result, been reluctant about joining their trade associations for fear that they would be censured by the government for meeting with their competitors. I believe that there is a legitimate and desirable field of co-operative effort among business men, particularly in their trade associations, and I have urged competitors to meet and discuss the questions of cost accounting, the standardization of processes and products, and other phases of their industry which tend toward efficiency. I am glad to say that today there are thousands of business men who are endeavoring in a constructive and co-operative spirit to work out their common economic problems in this way.

On the question of the activities of Trade associations President Wilson wrote to me on May 12, 1916, as follows:

Your suggestion that trade associations, associations of retail and wholesale merchants, commercial clubs, boards of trade, manufacturers' associations, credit associations, and other similar organizations should be encouraged in every feasible way by the government seems to me a very wise one. To furnish them with data and comprehensive information in order that they may more easily accomplish the result that they are organized for is a proper and useful government function. These associations, when organized for the purpose of improving conditions in their particular industry, such as unifying cost accounting and book-keeping methods, standardizing products and processes of manufacture, should meet with the approval of every man interested in the business progress of the country.

It is my feeling that if the government should not encourage trade associations and the reconstruction and upbuilding of American business, very little progress will be made in our country's development. We have found out many of the difficulties under which American business



labors. Many individual business men have taken progressive and definite steps toward remedying them, but it is a very difficult matter for individuals, particularly the smaller ones, to work out their problems adequately if they are not encouraged to meet with their larger competitors and benefit by common council.

Many of the difficulties with business are known to you all.

We have complained and grumbled about them, but the government with grand juries and their investigations into different industries has been following the same course for a number of years, and instead of accomplishing anything in a constructive way, has been injuring business and the interests of the country. In this country we have placed ourselves at a decided disadvantage by a refusal to adopt co-operative methods and thereby strengthen our position against our great competitors in foreign countries. In Germany, for example, men engaged in particular lines of business, meet around a table and discuss their business questions. They feel the unity and strength which comes from their common interest on account of all being German; they feel that the country of which they are citizens must be considered first of all, and that whatever is done for their respective industries is done for the good of the whole country. We need more of this spirit of unity in the United States, and I believe that with effectively developed trade associations we can not only raise the level of efficiency in this country but make ourselves effective competitors in the markets of the world. By competitors frequently meeting with each other in trade associations, a better feeling will be created and we will soon find that manufacturers are working together not only for their industry, for their employees, for their stockholders, but for the country as well.

One of the real needs among American business men today is a broad view of business and a comprehensive grasp



of industry as a whole. Too many American manufacturers and merchants center all their energy and attention upon their particular establishment and the work of making profits for it. Men at the head of factories need the point of view of what might be termed the statesmanship of business. They need to appreciate the fact that their plant is only a part of a great industry; that their individual welfare depends very largely upon the welfare and progress of the whole industry, and of industry in general.

The men who realize this principle, who are studying our economic problems from this point of view, are the men who will do the big things and be the real leaders of American business.

No where is co-operation among business men and between them and the government more essential than in the development of our export trade. For this reason, the Federal Trade Commission has urged upon congress the importance of the passage of the Webb Bill, which removes the doubt which now exists in the minds of many business men as to the application of the anti-trust laws to co-operative selling agencies or associations organized solely for the purpose of furthering our export trade. This bill has passed the House of Representatives by a large non-partisan vote, and is now pending in the Senate. It is a well known fact that competition in foreign markets is national, and if we are to be effective competitors in foreign countries, our business men must unite their forces and move forward as a unit. They must meet systematized co-operative effort by foreign nations with systematized co-operative organizations among American business men.

When the Federal Trade Commission was organized, we were appealed to by many groups of business men who were eager to have the Federal Trade Commission endorse the plan of having industries controlling the great natural resources, such as coal and lumber, organized into cartels



or combinations under the supervision of the Federal Government. They had in mind the system of cartels now quite common in Germany.

Seventeen or eighteen years ago, when Germany allowed her manufacturers to combine in cartels, the manufacturers who joined the respective groups were requested to present their balance sheets. It is stated that 95 per cent of the balance sheets which were submitted were practically perfect. It was evident that the participating companies were conducted efficiently, and that they knew how to run their business. The government permitted the organization of cartels for the purpose of meeting economic conditions which were regarded beyond the control of individual business men, and which it was thought could be met effectively by co-operative effort.

If American business men today had full knowledge of the cost of manufacturing and of selling, and if they had in general their system of production and distribution worked out as efficiently as have German manufacturers and merchants, we would have a basis upon which to consider the desirability of organizing cartels in industries controlling our natural resources; we would have something concrete with which to go before a congressional committee in asking legislation that would be helpful. But when, as it is estimated, 90 per cent of our manufacturers do not know their true costs, we certainly are in no position to take the progressive step which German industry has already taken. While the Commission is anxious to do all that it possibly can to assist business, we do not feel that we could recommend any legislation looking toward the establishment of cartels, even in those industries controlling our natural resources, until such time as American business has improved its business methods.

There is no question that when competition fails to regulate, the government should step in and lend its assist-



ance in helping business out of difficulty. I am, therefore, in sympathy with the referendum of the Chamber of Commerce of the U. S. A., which recommends "That there should be remedial legislation to permit co-operative agreements under Federal supervision in those industries which involve primary natural resources." But where business men cannot present true balance sheets, they certainly can not expect the government to allow them to get together. You, gentlemen, will appreciate the fact that if a group of manufacturers, say 100, representing a given industry, show a condition where only ten per cent of the firms in that industry know their costs and if they were to come to the government and ask for permission to form a combination or cartel, I am sure that there is not a man here, if he were in a government position, who would not refuse to give such permission. It is obvious that it would mean permitting 90 per cent of an industry who are admittedly inefficient to control and dominate the industry. If cartels were permitted under such conditions employees would not develop into efficient men, and the communities in which the plants were located could in the long run pay the price which would result from an industry controlled and dominated by inefficiency. Before we are ready to combine this country, we must first learn to co-operate in elementary and fundamental matters such as cost accounting, standardization and the like. These are things that are in line with sound business, and they are of sufficient importance to occupy the manufacturers and merchant of this country for a number of years. If our business men know their true costs, and if they have an intelligent grasp of business methods, competition will be fairer, and we will get better prices — prices based on efficiency.

The law under which the Federal Trade Commission operates authorizes us to prevent unfair methods of competition. The idea back of the law is that by making com-



petition fair, wholesome business conditions will result. While I believe that there are many conditions in industry which can be remedied only by the interference of government, I feel that there are many which could be more satisfactorily adjusted between men themselves. When you have a problem before you in your industries, you find, at least, in the end that you must be acquainted with both sides of it before you can suggest a remedy which suits the case. The Federal Trade Commission makes it a practice in hearing the complaints of business men to hear both sides, and they have found that the parties complained of often have grievances against the very men who made the complaint in the first instance. It seems to me that some practical common sense method should be employed by business men to work out many of their problems. I believe most of them must be solved from within and not by the government. Business men should first try to settle amicably vexed questions which arise between them, and to settle them in a practical and common sense way. Here is one of the desirable fields of activity for trade associations and other commercial bodies. They could handle most effectively many of the complaints of unfair competitions which are now before the Federal Trade Commission.

Where private efforts fail however, the government must step in in order to make business fair, and under ordinary conditions if competition is made fair, competition will take care of the interests of the consumer and the business men alike. This is one of the important fields of the Federal Trade Commission's work.

The problems now before the business and the government are not so complicated but what they can be worked out, and in a reasonable length of time. Government has shown that it is willing and anxious to co-operate with business. It is now the duty of the business men of this



country to do their part. Successful co-operation requires a friendly spirit on both sides if we are to accomplish real constructive work. When business men request advice in advance as to some particular step they wish to take, they should present to the government an intelligent statement of the facts; then government should give advice in advance as to what business men should or should not do. This applies to legal questions as well as to economic ones. Many times business men feel that the questions it wants answered are legal when, in reality, they are economic. There is a better understanding of these problems now on the part of government, and if business men are to keep abreast of the times they must give these matters careful individual thought and study and ascertain the real facts; then present them to the government with a feeling that while they may benefit directly, if the government should act favorably, that whatever benefits their industry will help other industries, and what helps industry as a whole benefits government, our country and our people. If we act along these lines the many questions involved which now appear so difficult will be easily solved.

My ideal for the Federal Trade Commission is that it shall become the common meeting ground of government and business, and that by means of its machinery the foundations of industry shall be laid more secure, competition shall be made more intelligent and fair, business men will have more comprehensive and wider vision of the public interest and the relation of industry to the public, and that government on its part will, on behalf of the public, bring to business its constructive aid. But I maintain that if we, the business men of this country, are going to accomplish what we should, not only for our own benefit but for the benefit of the country, we must co-operate among ourselves along broad constructive lines, recognize that fair, intelligent competition is the life of trade, and that funda-



mentally the interests of the public and business are the same. I thank you.

PRESIDENT FORGAN: Gentlemen, I am sure I express the feelings, not only of the members of the Commercial Club but the guests of the evening, when I say how much we are indebted to Mr. Hurley for his very instructive address, and I am sure that the members of the club do not require any motion to ask me to convey to Mr. Hurley the sincere thanks of the club, and their guests of the evening, for the address he has made.

The meeting is adjourned.



## TWO HUNDRED AND FIFTY-SECOND REGULAR MEETING

SATURDAY, FEBRUARY 10, 1917

Open Meeting: President Forgan Presiding  
Invocation: Reverend James G. K. McClure

### PROGRAM

#### MILITARY TRAINING IN CAMPS AND SCHOOLS

Major General Thomas H. Barry, U. S. A.

Major Paul B. Malone, U. S. A.

Captain Edgar Z. Steever, U. S. A.

PRESIDENT JAMES B. FORGAN: Gentlemen, in these days of war and rumors of war, by far the most important subject agitating the public mind of this country is undoubtedly military preparedness and how to accomplish it.

Events as they have occurred from time to time since the European War broke out have emphasized the urgency for the necessity of such preparedness.

At three meetings of this club within a year our attention has been directed to the problem from different angles.

Tonight the usefulness and the desirability of military training camps and schools will be explained to us by gentlemen whose training and experience qualify them as experts to enlighten us on the subject.

The first speaker is a gentleman who has devoted his life to military service for his country. Graduated from the United States Military Academy at West Point in 1877, he served for sixteen years west of the Mississippi River and took part in several Indian campaigns.



As Adjutant-General he accompanied one of the first expeditionary forces to the Philippine Islands in 1898. During the Boxer troubles in China in 1900 he served there as Brigadier-General of Volunteers, after which he returned to the Philippines and served there as Chief of Staff until the government was turned over to the Taft Committee in 1901.

He was appointed Brigadier-General of the Regular Army in 1903, and Major-General in 1908.

He was Superintendent of the United States Military Academy from 1910 to 1912, and was attending the German manouevers in 1906 when he was recalled by the president to take command of the Army of Cuban Pacification, which command he retained until 1909.

General Barry assumed command of the Central Department, May 28, 1916, coming from the Philippine Department, which he commanded from 1914 to 1916.

He has served 44 years in the army in every grade from cadet to Major-General.

I have the honor to introduce Major-General Thomas H. Barry, U. S. A., commanding the Central Department.

**MAJOR GENERAL THOMAS H. BARRY:** Mr. President, honored guests and gentlemen of the Commercial Club of Chicago:

During the very flattering introductory remarks of your president I cast about to see if there were some other Generals here, and I was reminded of the dear old Irish widow who sat complacently during the services over her deceased lord and master, until the reverend father commenced his discourse about the dearly beloved deceased, what a great man he was, what a devoted father and husband, what a good provider he was for his family; when she nudged her little boy who was sitting alongside of her and said:



“Mickey, look around the church and see if there is another corpse here besides your father.”

Let me first thank the Commercial Club of Chicago for the members of my Staff, other officers of the Army here and myself for the honor you have conferred upon us in asking us here. When I was approached by your persuasive secretary and another gentleman, Mr. Anderson, who makes trouble for everybody, they said they wanted us to come here and explain military training, the purpose being to get the Commercial Club of Chicago behind the movement.

I do not think my presence or anything that I may say is necessary to get this body of Chicago's most distinguished citizens behind a movement that is so beneficial to yourselves, to your enterprises, to your children and to your children's children.

If I know you as I think I do, you are not only behind military training in camps, but you are behind compulsory military training and compulsory military service, and what is more, with all red blooded Americans, native and naturalized — and among the latter I include Americans of German stock — we are all loyally behind the President in the crisis that now confronts us, with our lives if need be.

And what better death can a man die than in defence of Old Glory and in maintenance of the integrity of the institutions of this, the best country on God's green footstool.

You are fortunate in having here tonight two officers, Major Malone and Captain Steever, who will tell you all about the details and benefits of military training in camps and military training in schools.

Malone had much to do with the training in the Western Department at the same time that the Plattsburg camp started, although there are people who think the only camps that were held were those at Plattsburg.

Malone held just as good camps in the Western Depart-



ment on the Pacific Coast; a little bit better, he says, and I believe him.

Steever is the father of what is known as the Wyoming system, and he will tell you all about training in schools.

Now, my friends, there are no organizations or administrations that receive so much gratuitous advice as armies and navies.

I would hesitate a long while before I would advise Mr. Rosenwald how to run that big enterprise of his, and if I ever overstepped the bounds and did it, I would think myself impertinent and I would expect him to tell me to mind my own business.

But anybody can tell you all about the army, how it should be organized, how it should be administered, and after we get started on a campaign these same individuals will tell you how we should conduct it.

Before I came here I looked over some of the heresy that has been preached by some of these pacifists. It is really startling when you dig into it. I am going to read you some of it and then I am going to comment a little on it.

“Our real problem is to devise and work out national and international policies that will reduce the causes and the occasions of war.”

A beautiful promise, and we are all with him. When you gentlemen can go to sleep at night in Chicago with your wives and children, leave your doors and windows open, wake up in the morning and find everything just as you left it, just so soon and no sooner can Chicago do without a police force and the United States do without an army and navy.

“We should test every suggestion for increasing the Army and the Navy in its relations to that purpose.”  
That is all right.



“It is quite possible that we may wish to and that in a righteous cause we ought to undertake aggressive war, but we should make no preparation expressly for such a contingency. We will be all the more sure that we are really called in righteousness to attack some other nation if we have to pause to get ready for the attack.”

And my friends, you will be wiped off the map when you do it.

“A defensive army and a defensive navy will furnish all the preparation it is wise or necessary for us to make now.

“We do need a defensive navy, and by adding submarines instead of dreadnaughts we can make our navy more powerful for defense and less available for aggression.”

The man in war who acts on the defensive is licked before he starts. And to talk about a defensive navy is rot.

If there is one arm that is for offense more than another it is the navy, and to talk about changing dreadnaughts for submarines is heresy.

Where would England be today if she had abandoned her dreadnaughts for submarines and waited until the other fellow came on?

“Men should not be enlisted for long terms of active service.”

Well, short enlistments bedeviled Washington. They bedeviled us in every war we have had since the Revolution. The ninety days men embarrassed us during the Civil War, and notwithstanding we enlisted men at the beginning of the Spanish-American War for two years or the period of the war, when the Philippine Insurrection broke out they con-



sidered that the Spanish-American War had ended and we were embarrassed in holding them there for the insurrection.

“We must dismiss at once from practical consideration the suggestion of universal military service.”

That is the preaching of everybody who is a bit afraid to get in and do his own part. He wants somebody to do it for him.

“We must tell the General Staff, not have them tell us, what it is we want an army to do, what are the purposes for which we wish to use an army.

“Then, and then only can they tell us what kind of an army and navy will be best adapted for our purpose; otherwise their opinions and estimates must necessarily be based on the assumption that we want a military establishment adequate to defend all our outstanding possessions and obligations and to maintain all our supposed national policies and interests.”

If you don't want an army and navy for those purposes I don't know what you want them for.

“We shall make a serious mistake in all that we do toward military preparedness against war and for peace unless we tell our military experts and tell them in a way that they will understand and accept, that we want the military establishment planned and prepared for defense and not for offense.”

Now, if there is any body of men in the United States competent to advise us on our military establishment it is the officers of the General Staff. They have devoted their lives to their business. They are selected by boards of general officers who under oath select the best officers available for the vacancies. I know them all.



They are reasonable men, and you can rely on what they recommend. They know what the other fellow has in men, in material, in munitions, in ships. They know about what he can do when he gets started, and they know, as nobody else does, what we need to hold him off.

These same critics go on and tell us that we have no dangers; that the Atlantic and the Pacific are such barriers that nobody can touch us.

See what is going on on the Atlantic today. They are sailing on it, they are sailing under it, and pretty soon they will be flying over it, and we had better get ready to meet them when they come, whoever they are.

Washington, who was bedeviled by short enlistments and by critics, had this to say of his critics:

“I can answer these gentlemen that it is a much easier and less distressing thing to draw remonstrances in a comfortable room by the fireside than to occupy a cold bleak hill and sleep under frost and snow, without clothes or blankets.”

I thought first that criticism was born here in America, but in digging into the matter I find that it comes down to us from the beginning of the world.

If you will bear with me, I would like to read a speech that was delivered by a Roman general who was ordered into Macedonia with an army. This speech was delivered before most of us were born. It was delivered one hundred and sixty-eight years before Christ. It fits today.

“Lucius Aemilius, a Roman consul, who had been selected to conduct the war with the Macedonians, B. C. 168, went out from the Senate House into the assembly of the people and addressed them as follows:

“ ‘In every circle, and, truly, at every table, there are people who lead armies into Macedonia; who know



where the army ought to be placed; what posts ought to be occupied by troops; when and through what pass Macedonia should be entered; where magazines should be formed; how provisions should be conveyed by land and sea; and when it is proper to engage the enemy, when to lie quiet. And they not only determine what is best to be done, but if anything is done in any other manner than what they have pointed out, they arraign the consul, as if he were on trial.

“ ‘These are great impediments to those who have the management of affairs; for everyone cannot encounter injurious reports with the same constancy and firmness of mind as Fabius did, who chose to let his own authority be diminished through the folly of the people, rather than to mismanage the public business with a high reputation.

“ ‘I am not one of those who think that commanders ought never to receive advice; on the contrary, I should deem that man more proud than wise, who did everything of his own single judgment.

“ ‘What then is my opinion? That commanders should be counselled, chiefly by persons of known talent; by those, especially, who are skilled in the art of war, and who have been taught by experience; and, next, by those who are present at the scene of action, who see the country, who see the enemy; who see the advantages that occasions offer, and who, embarked, as it were, in the same ship, are sharers of the danger.

“ ‘If, therefore, any one thinks himself qualified to give advice respecting the war which I am to conduct, which may prove advantageous to the public, let him not refuse his assistance to the state, but let him come with me into Macedonia.

“ ‘He shall be furnished by me with a ship, a horse, a tent; and even with his traveling charges.



“ ‘But if he thinks this too much trouble, and prefers the repose of a city life to the toils of war, let him not, on land, assume the office of a pilot.

“ ‘The city, in itself, furnishes abundance of topics for conversation; let it confine its passion for talking, and rest assured, that we shall be content with such councils as shall be framed within our camp.’ ”

Gentlemen, when I go into Macedonia or any other place with an American army I shall take no counsel of pacifists, for there will be none with me. I will take counsel of such men as Malone and Steever, who will be with me if they can get there, who were with me when I commanded our army in Cuba and when in as clean a piece of military administration as was ever pulled off we put Cuba on her feet, and she has stayed put ever since. And with the help of the red-blooded men in that army and the red-blooded Americans at home who will be behind us, and though we may not come back to tell the tale, we will do what all American armies and navies have heretofore done; we will keep Old Glory tacked to the foremast of the Ship of State that never has, and God willing, never will smack of defeat.

PRESIDENT FORGAN: Gentlemen, the next speaker is also a gentleman of very considerable military experience. Graduating from West Point in 1894, he has made a record for distinguished service that many older an officer might envy.

In the Spanish-American War he was Staff Officer in a brigade in which three brigade commanders were lost in action in the Santiago, Cuba, campaign.

He also served in the Philippine campaign from 1899 to 1901, and saw service again in Cuba from 1906 to 1908.

He was Honor-Graduate of the Army School of the Line in 1909, and a graduate of the Army Staff College



in 1910. For several years thereafter he served on the general staff, and in 1915 was transferred to San Francisco, in command of the Business Men's and Students' training camps there.

He has recently been assigned to the Central Department as Assistant to Colonel Penn.

He brings to his task in the Central Department not only the experience he has gained from his command of the Citizens' Military Camp in San Francisco, but an intensely enthusiastic interest in these camps.

He also is the distinguished author of several books of military value and assistance to young men planning to take the course at the National Military Academy.

I have great pleasure in introducing Major Paul B. Malone of the United States Army, in charge of Military Training Camps, Central Department.

MAJOR PAUL B. MALONE: Mr. President, Distinguished Guests, and Gentlemen of the Commercial Club:

The subject which has been assigned to me tonight is one which involves a discussion of detail at large extent. I therefore cannot undertake to present an interesting talk, but I take it for granted that the gentlemen who belong to this club do not desire me to indulge in glittering generalities. You desire to get at the facts.

The presence of so large a number here tonight indicates that you are interested as business men in the manner in which the government proposes to protect you in your manifold activities as business men and in the continued enjoyment of life, liberty, and the pursuit of happiness.

My subject covers military training in schools and camps in this country, one of the means by which the government hopes to accomplish its purpose. I shall go straight at the subject, omitting detailed reference to military training in high schools, which will be handled by Captain Steever,



the originator of the Wyoming plan and the director of the system in the high schools of this Department.

With respect to military education, we appear to be at the dawn of a new era in the history of this country, but when we entertain glorious hopes for the future, we must not forget the past.

Military instruction has been given, pursuant to law, in the educational institutions of this country since 1862, yet the net result has furnished us but little in actual military preparedness.

Startled by the consequences of two years of disastrous warfare against the confederacy our federal Congress awoke to the need of trained leaders for our military units, and in the second year of that war, passed the Morell Act, whereby in consideration of the grant of public lands to educational institutions dedicated to the agricultural and the mechanical arts, military training in such institutions was made obligatory upon the part of all students accepting the course. Thus it was hoped to secure a trained collegiate personnel which might be relied upon to produce officers for service in our Volunteer Army in time of war, but while military training was obligatory upon the students at colleges, there was little inclination on the part of the student to train seriously, few rewards for military effort, and absolutely no prescribed method of conserving military education of the student and thus insuring a commensurate return to the Government for the time and energy expended.

Our system was illogical, wasteful and unscientific and the result discouraging accordingly.

There were in 1916, before the passage of the National Defense Act, more than 30,000 students receiving military instruction in the various schools and colleges of the United States, requiring the service of hundreds of officers and non-commissioned officers for their instruction. Yet the



actual return to the Government in the way of national military preparedness was negligible.

The fatal defect in this as in all our other previous military efforts in schools and in colleges lay in the fact that the spirit of national service was lacking. The benefit was primarily for the institution and for the student, and only indirectly or not at all for the country.

Militarymen are trained to look squarely at the hard dry facts of life, analyze their relation to each other and loyally to pursue that course which seems best for the welfare of the State. They recognize the spirit of national service.

It has long been apparent to military students that should this nation be called upon to meet a first class power on the field of battle, armies numbering men by the millions would be called into being to repel invasion or possibly to carry successful war into the territory of our enemy, should that course be necessary. Our past history warns us that the masses of these men in ranks, will be utterly ignorant of the fundamental principles of the military profession, that it will take months to train them under competent leaders and that when both soldier and officer must stumble blindly onward toward efficiency, one as ignorant as the other of his military obligations, the period of training to successfully meet a trained and well organized army must be measured in years, not in months or days.

Without such leadership an army is but a mob unable to feed and clothe itself, unable to march effectively or fight intelligently, lawless and brutal in its attitude toward the people, disorganized as much by victory as by defeat, decimated, sometimes almost annihilated, by the diseases fostered by its own ignorance of sanitary principles. Our problem is to create such leaders.

For an army numbering one million men, approximately



50,000 officers are needed in grades from Second Lieutenant to Colonel. In seeking a logical source of supply, one is guided by the principle that men are commanded by brains, not by brawn, and so we turn to the educational institutions of the country and appeal for help.

I was on duty in the War Department when the idea of so using our collegiate institutions first took tangible form. Summer training camps were suggested but appropriations therefor were not available and Congress was in no mood to even consider the question of financial aid. In the year just preceding the war in Europe, patriotism seemed to have perished from the land. The military spirit seemed dead. During that period of fierce anti-militaristic propaganda one was disposed to ask himself, is this country with its maudlin sentimentality, its tolerance of cant and hypocrisy, its evasion of duty, its subserviency to expediency and disregard sometimes of national honor, worth saving by the sacrifice of one's own life from the ruin it was calling upon itself. The sober, dispassionate answer, is yes.

The country which insures to us and to our posterity — an equality of opportunity — is worth fighting for and dying for. The blood of the men who established these principles was red, and it seemed a safe conjecture that if these red-blooded descendants of the people who established this principle could be offered military instruction in summer camps under regular army officers, they would pay all the attending expenses and be glad of the opportunity; that every boy is a soldier at heart and every man a grown up boy who would gladly renew the spirit of his youth and awaken in himself the ardor which led our ancestors through the horrors of Valley Forge and on to the successful fields at Saratoga and Yorktown. This conclusion was justified by results and the summer camp idea was an overwhelming success. The trained intellect of our people grasped the



exalted purposes behind the movement and due to the influence exerted by these citizens and the terrifying spectacle which the whole world beheld in Europe, we have today upon our statute books the most comprehensive and far-reaching military legislation ever recorded in our history.

I shall not weary you with minute details which would be forgotten as rapidly as uttered. Suffice it to say that under the National Defense Act of June 3, 1916, the training of the youth of this country begins in schools at the age of 14 and continues through collegiate institutions and at the age of 21 years offers a graduate of the system a commission in the Reserve Officers' Corps whereby he binds himself to give to his country his services as an officer, should his country need him in the hour of peril I shall refrain from discussing the military training in the high schools — as previously stated, that is Captain Steever's subject.

I shall briefly outline the system in the higher schools and colleges and then pass on to the Citizens' Training Camps, which constitutes the most important feature of the entire program of military education for citizens. Taking advantage of all the machinery of administration already in existence, Sec. 40 of the National Defense Act authorizes the President to establish and maintain in civil educational institutions a Reserve Officers' Training Corps. The Reserve Officers' Training Corps is organized into two divisions, a senior division, organized at universities and colleges requiring four years of collegiate study for a degree, and at those essentially military schools such as the Culver Military Academy which are specially designated by the Secretary of War as qualified, therefor,— and the junior division, organized at all other institutions.

Eligibility to membership is limited to students at institutions at which units are established who are citizens



of the United States not less than 14 years of age and who are physically fit to perform military duty or will be so upon arrival at military age. Three hundred officers of the Army on the active list and five hundred non-commissioned officers are made available for the instruction of these units. The course of training is prescribed by the Secretary of War, requiring not less than three hours per week per academic year. In addition thereto, the Secretary of War is authorized to hold camps for the practical instruction of these units for periods not longer than six weeks in any year; to transport and subsist students during this period; to use the regular and other troops and such Government property as may be necessary for the military training of members of such corps while in attendance at the camps. Animals, arms, uniforms, equipment and forage for public animals are furnished by the Government. Upon completing the prescribed course of training both at college and in camps, any graduate of the Reserve Officers' Training Corps who shall have arrived at the age of 21 years, and who agrees, under oath, to serve the Government in the capacity of Reserve Officer for at least 10 years from the date of his appointment, may be appointed by the President an officer of the Reserve Corps. His commission remains in force for five years. In time of actual or threatened hostilities, the President may order Reserve Officers to duty with the regular or volunteer army or to any duty he may prescribe. To the extent provided from time to time by specific appropriation, he may order these officers to duty with troops or at field exercises for periods not exceeding 15 days in any calendar year.

It is thus seen that Congress has converted the educational institutions of the country into military academies on a modified West Point plan and has used the entire existing machinery of administration of our school system to produce partially trained officers for our great armies of the future.



Thus we have a well organized machine for utilizing the brains of our collegiate institutions for National Defense, defective, however, to the extent that the student once trained is not compelled to serve; defective, also to the extent, that officers under this system are drawn from a special class, whereas, our basic principles of government demand equal opportunity for all.

No reserve officer will result from this system until 1918. In the meantime our principal source of supply is the Citizens' Training Camps.

It was my good fortune to command a battalion of students and the two companies of business men at the Citizens' Training Camps at San Francisco in 1915. This was the first year in which business men's camps were held. Similar camps were also in progress at Fort Sheridan, Illinois, and at Plattsburgh Barracks, New York. Our attendance was small but the results were great, surpassing indeed the most sanguine expectation. I entered upon the work with doubts and misgivings and finished it with confidence and high hopes for the future. My report urged financial support by Congress in almost the precise terms which we now find recorded in the National Defense Act, and I hope that in some small measure I helped to lay the solid foundation on which we now find the permanent edifice.

Briefly, Section 54 of the National Defense Act provides that the Secretary of War is authorized to maintain camps for the military training of citizens; to provide winter instruction for federal reserve students; to use Government instrumentalities for their instruction; to furnish uniforms, subsistence, transportation and medical supplies; to provide water, fuel, light and temporary structures; to sell Quartermaster and Ordnance property; to prescribe the courses of theoretical and practical training; to fix the periods of attendance and to employ thereat such officers and enlisted men in such numbers as he may designate.



The orders of the War Department place the organization and conduct of these camps in the hands of the Department Commander and, pursuant to such authority, The Commanding General of the Central Department has announced his intention of conducting three Senior camps for men between the ages of 18 and 45 inclusive, at Fort Snelling, Minnesota, Fort Sheridan, Illinois, and Fort Riley, Kansas; and three Junior camps for young men between the ages of 15 and 18 at Fort D. A. Russell, Wyoming, Fort Des Moines, Iowa, and Fort Benjamin Harrison, Indiana. Each camp will cover a period of four weeks. The camps will be held during the months of July, August and September. This will permit not less than one nor more than three camps to be held at each of the points mentioned. Should circumstances demand it, camps may be held at an earlier date.

Upon reporting at the camps and upon passing the prescribed physical examination, each applicant subscribes to an oath of enlistment binding for a period of 30 days. This together with the fact that all camps are held on posts over which the Commanding Officer exercises complete jurisdiction will enable Camp commanders to maintain the highest possible standards of discipline and morality.

Troops of all arms have been asked for and unless events of greater importance replace the entire camp program, it seems highly probable that we shall have all the troops and instructors necessary to insure a complete success in the coming season.

The complete course consists of three camps, designated respectively, "the Red, White and Blue Camps," each having advanced instruction over the preceding camp, and such additional winter instruction as may be prescribed. The Federal Reserve Students, as citizens attending the camp are designated, will be organized into tactical units and trained intensively in every feature of military life,



appropriate to the early period of mobilization and concentration of a great army. The complete course of instruction has not yet been promulgated but it is prescribed that a portion of the time in each camp will be given to actual firing on the target range with the service rifle.

Upon satisfactorily completing the three camps and the prescribed winter course of instruction a Federal Reserve Student becomes eligible, for appointment after practical and physical examination, in the Officers' Reserve Corps, about which I have already spoken. Commissions may be given up to and including the grade of Major, which will permit the holder to serve in the grade in which he is so commissioned in the Volunteer Army or in any other capacity which the President may designate. Promotion to the higher grades will come only as a result of actual service in time of war.

This then is the system of military training for the citizens of our country upon which we are about to enter under the direct operation of the National Defense Act. The appearance of Section 54 on the Federal Statutes marks an epoch in the history of our country. It is the first legislation ever enacted for the military training of citizens under exclusive Federal control and for exclusive Federal purposes, and which is free from the curse of divided State and Federal control. More significant still, this section is upon the statute books because of an insistent desire now amounting to a demand for the opportunity for military training and a correct knowledge of our military situation on the part of citizens of the country.

Beginning with 264 attendants at the first camp in 1913, attendance has steadily increased until, in 1916, despite all kinds of discouragements, 16,134 students attended the camps. Of the 20,000 men who have thus shouldered the rifle and the pack, slept in dog tents and marched in the sun, rain and mud, 19,000 have actually



paid approximately \$40.00 apiece for the privilege. From all indications the attendance this year, in view of the financial assistance to be given by Federal authorities, will probably reach 60,000 and may reach 100,000, the number probably depending upon our ability to accommodate the applicants.

More important perhaps than the extraordinary increase in attendance is the high character of citizens who have chosen to attend the camps and the consequent effect of the training camp movement in arousing the interest of the country in military legislation and military policy.

The mental processes of the student may be as readily trained. Like every other free-born American citizen he arrives at the camp fairly well convinced that he is capable of commanding a battalion. He leaves the camp, hoping that he has demonstrated his fitness to command a squad. Slowly he comes to realize that years, not weeks are necessary to build up that familiarity with the military profession, which will give us a chance for victory on the battlefield of the future. He learns that wars are no longer fought by armies but by whole nations in arms; that the paid professional army is a relic of an autocratic age which survives only in democratic America; that war demands the whole man-power, the whole manhood, the whole soul of the whole nation; that the principle of equality of opportunity on which this nation founded its democracy, and for which we should be glad to fight for and to die for, carries with it the necessary corollary of equality of obligation and equality of public service.

The students eyes are opened to the truths of our military history concealed from us in our youth by our writers and historians in deference to a debauched public taste which has ever preferred a gilded falsehood to a painful fact.

He learns of our battlefields drenched by the blood of



thousands upon thousands of the fairest sons of the Republic, victims of a military system, wrong to the point of criminality, victims also of the ignorance of men who sought military leadership without the knowledge of the military profession, the natural outcome of a system of voluntary service.

All of these influences working through the period of only three and one-half years have resulted in the following unanimous resolution by the National Committee of the Military Training Camps Association which met in New York on November 24, 1916, with Doctor Henry S. Brinker in the chair.

Resolved, that the object and policy of this Association is to bring about a system of universal obligatory military training and equal service for the young men of the United States under exclusive Federal control, and that this purpose be publicly announced and followed as the policy of this Association.

Further Resolved, that the Executive Committee of the Association take such steps as it may be advised to advocate Federal legislation for a system of universal training.

Gentlemen of the Commercial Club, here is an expression of opinion by the most distinguished civilian representatives of 20,000 citizens who came, who saw, and who know — and I trust that you will give them your loyal support in order that the future army of the Republic may not be a hired servant, competing with the labor markets of the country for its existence, but an army of the people, for the people, and by the people, universal and democratic, founded on the principle of equality of opportunity coupled with the principle of equality of obligations and of service.

PRESIDENT FORGAN: Gentlemen, the next speaker has for some years been developing a new form of high school athletics which bids fair to revolutionize the standards of high school student life in America.



Starting at Cheyenne, Wyoming, with 15 boys, the plan, which became known as the Wyoming Plan, spread throughout the state and a majority of high schools there have permanently adopted it.

Twenty-one schools in Chicago, six in Kansas City, and four in Denver, besides schools in Washington, D. C., and other cities of the United States are now using it.

Captain Steever has been assigned by the War Department to supervise military instruction in the public schools of the Central Department, and I have now great pleasure in introducing him to you.

CAPTAIN EDGAR Z. STEEVER (U. S. A., Director Wyoming Plan in Chicago Schools). President Forgan and gentlemen of the Commercial Club of Chicago: The only sane, the only safety first policy for this United States is universal service. And Chicago, your Chicago, has taken the first step by introducing military training in its public school system by a vote of the School Board of 14 to 3. Is there any doubt in your mind about whether it is a right step or not? I want to prove to you it is.

A couple of weeks ago I went to Lane Technical School and talked to the finest boys in the world, Chicago boys, and I was followed by an eminent pacifist, a superb gentleman, I assure you, and he told 2,566 boys not to take military training. A few days afterwards I sent my Assistant, Lieutenant Frink, over and 2,566 American Chicago boys stood up and said: "We will take it."

That was the first step towards universal training, the only system we must have in this country.

Now, why are we giving this training to the boys? Major Malone has told you that a small army, a little army of a million men must have 50,000 commissioned officers. Where are you going to get them in this country now? You must go first to those superb military schools that are



competent to give this training, and then to your high schools.

Before I leave you this evening I want to prove to you on the map that is behind the curtain what five months of such training will do for your superb American high school lads, to fit them for the Junior officer grades of a universal trained army.

The Universal Training Bill that was introduced in the Senate yesterday calls for six months' training. That won't produce an officer, nor will it produce a non-commissioned officer, and if you need 50,000 officers for a million men you need between two and three hundred thousand non-commissioned officers. You have to take them from your public school system.

Now, how is it that we get such efficiency in our high school training? Why, we take all the pep and dash and get up and go on the athletic field, of the football game, and put it right into our military system.

Up here you have Lane Technical, here Senn High School, and down here Hyde Park. When I have gone around and talked to the boys of the high schools I have found that they all love Hyde Park. Senn High School tells me: "Yes, we would like to win from Lane, but give us a win over Hyde Park." And Lane says the same thing, and so does Medill and Marshall and Lake View and Bowen and all the rest of them.

We put the efficiency of the athletic field into military training, and it is the finest thing in the world. That is the Wyoming idea.

Your distinguished President has said that we started with 15 boys in Cheyenne in 1911. The figures are not exact. We started with 15 half boys, 15 boys and myself.

We have put this training through with a knowledge of boy psychology. That is all there is to it, if you want efficiency in any boy work or any method that you may



use, when you are working boys, use group against group in various games.

Now, these are the games the Chicago lads will play. This year by June we will send them down a boulevard or perhaps Michigan Avenue, if we get permission, in competitive review, and they will be marked by five judges of the regular army. This is what they will be marked on: Set-up, shoulders back and tummies in, and head and eye straight to the front and the straightness of their line.

And the boys at these schools are working now. On the second drill day their work was done over. They said: "Give us a whack at Hyde Park. We are going to put a win over on Michigan Avenue against Hyde Park." And I told the Hyde Park fellows: "Here, all these other high schools will land you fellows. Get on the job." And the first half an hour down at Hyde Park there were three hundred applications written and signed up by their American dads.

That is all there is to the so-called Wyoming system. High school against high school in these wonderful games.

I am talking to the older boys now, and I want to take you back to your boyhood days. When I first came here some well-intentioned people said: "Of course, you won't give the boys any guns." Why, we are making a man's game for Mr. Boy. We want him to play it a man's way. After we get high school against high school we are going to tell those lads: "Here, you have got to go into training." Training means cutting out the smokes, and thinking and living clean. We don't give the boy a long preachment on the evils of nicotine. We will wait until he has lost, until another high school group has won, then we will go to him and say: "What is the matter with you? You have lost for your high school. Why didn't you go in training?" And training means cutting out the smokes and thinking and living clean.



## THE COMMERCIAL CLUB OF CHICAGO

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There is where we put over our moral idea, and we put it over without any mollycoddleism.

I have some slides and some pictures to show you of the work. I am going to show them to you if you will be so kind as to about face.

Now, before you about face, please bear in mind that the about face is made to the right and not to the left.

(Captain Steever here showed some stereopticon views and moving pictures of the military training undergone at various high schools and military academies in the United States, after which a set of maneuvers by "Red," and "Blue," boy armies, was described on a large map.)

**PRESIDENT FORGAN:** On behalf of the club and their guests I now tender to you, General Barry, Major Malone and Captain Steever, our hearty and sincere thanks for your very interesting and instructive addresses.

I understand that Mr. Insull, as a member of the committee that is in charge of the club's activities in connection with preparedness has a resolution to offer.

**MR. SAMUEL INSULL:** Mr. President and gentlemen: At this late hour I will simply read the resolution I have:

**WHEREAS:** The object and policy of the Military Training Camps Association is to bring about a system of universal obligatory military training and equal service for the young men of the United States under exclusive Federal control, and,

**WHEREAS:** The Association is committed to take such steps as may be deemed advisable to secure Federal legislation for a system of universal training; therefore, be it

**RESOLVED:** That the members of the Commercial Club and their guests assembled in the two hundred and fifty-second regular meeting of the Club do hereby vote their approval of the purposes of the Military Training Camps Association as here stated:

Commend the training camp as a step toward universal training and will, where and as possible, encourage and support the camps which it is proposed to hold in the west during the summer of 1917.



I take great pleasure in moving the resolution.  
(The motion was seconded.)

**PRESIDENT FORGAN:** You have heard the motion, gentlemen, which has been duly seconded.

Those in favor of the resolution will respond by saying aye; contrary-minded no.

It is unanimously carried.

I have now to introduce to you Mr. Wharton Clay, the Executive Secretary of The Military Training Camps Association, Central Department.

Mr. Clay will give a rapid fire explanation of two reels of moving pictures which will be thrown on the screen to illustrate these military camps in action.

I have seen the pictures and can therefore inform you that they convey a very good idea of the camp life which has been so vividly portrayed to us by our guests of the evening.

The lights will be put out, and any of you whose trains will not permit of your remaining to see the pictures can, of course, leave. I know that sometimes there are some of the members who complain when we keep them too late, but I hope all those who can will remain and see them.

**MR. WHARTON CLAY:** Mr. President, General Barry and gentlemen:

It may seem incongruous, possibly, to have a civilian on a program with such distinguished army officers. But we must remember that all of this military work and the interest in military training comes from the civilians, and it is the support of the civilian that the army needs to carry on the work which they believe is necessary in the defense of this country.

As Major Malone has so well pointed out, the military training camps are but a stepping stone, but a very valuable stepping stone, for the universal military training and



obligatory universal service, and it is our purpose to show by these pictures just exactly what is done at the training camps, just what benefits the individuals derive from them and the benefits that the state derives from sending young men and middle-aged men too, to the training camps.

(Mr. Clay then gave an interesting talk as two reels of moving pictures illustrating military camps were shown, after which the meeting adjourned.)



# TWO HUNDRED AND FIFTY-THIRD REGULAR MEETING

SATURDAY, APRIL 7, 1917

Open Meeting: Vice-President Thomas E. Donnelley Presiding  
Invocation: Reverend Von Ogden Vogt

## PROGRAM

### GOVERNMENT AND BUSINESS

Hon. Paul M. Warburg, Vice-Governor,  
Federal Reserve Board, Washington, D. C.

VICE-PRESIDENT DONNELLEY: Members of the Commercial Club and guests: It is with a good deal of timidity and a great deal of regret that I am compelled tonight to attempt to take the place of your honored president. This regret is not only account of his recent illness, which has made Mr. Forgan unable to attend, but especially because both the subject of this meeting and the speaker were of his personal selections. He had worked on the plan of this meeting all year, and it was only on account of his persistency that we have been enabled to make this an accomplished fact tonight.

I do not think I can say anything more that will convince you of how Mr. Forgan had this meeting at heart than to read you a telegram which I received today:

“I have looked forward to this banquet as a crowning event of the Commercial Club season, and it is a big disappointment to me that I am unable to be present. Give Mr. Warburg my most cordial greetings and tell him how



much I regret my enforced absence. May all present at the banquet enjoy it as much as I expected to."

Mr. Forgan had the success of this meeting so much at heart that even on his sick bed he dictated his introductory remarks, and when during the early part of this week his physician informed him that the journey here to Chicago was beyond a question, he mailed to me these remarks and it is my pleasure to read them to you this evening:

"Gentlemen: In an address before this club, something over four years ago, referring to the necessity for banking reform Mr. Woodrow Wilson, then President-elect, made the following statement: 'I am not entering into an indictment against the banking methods of this country. The banking system of this country does not need to be indicted. It is convicted.' This statement was correct and expressed the public sentiment in regard to banking conditions as they then existed.

"The banking methods of the country were all right but they were handicapped with a cramped and antiquated National banking system, totally inadequate to meet the enlarged business requirements of the country. The banking system, or it might be more proper to say the lack of a banking system was responsible for the too often recurring panics, which cost so much and retarded so seriously our banking growth and business development.

"No means or method existed by which the large and constantly increasing number of banks in the country could act together and consolidate their reserve strength to meet an emergency. Their gold reserves were scattered and divided into as many small individually owned lots as there were banks and there was no way of mobilizing or otherwise utilizing them for the joint protection of the banks as a whole.

"The banks outside of the reserve centers could not



strengthen their cash reserves without correspondingly depleting the reserves at the centers and there was no means provided, by which the banks at the centers could protect themselves against such depletion, except by suspending specie payments, and when the demands on them got too heavy they did suspend currency payments.

“The banks were like a disorganized mob and in every emergency acted as such, instead of being like a disciplined army prepared to meet emergencies as they arose. Thus the system, or lack of system literally produced emergencies and when produced, it was panic, with every bank for itself and devil take the hindmost.

“Clearing House Certificates, the use of which was *ultra vires*, and Aldrich-Vreeland notes served their purposes well enough in the last panic as instrumentalities to help the banks through, after panic had seized them but they were only palliatives for panics and not preventatives of the conditions which produce them.

“Since then the National Reserve system has been established under the Federal Reserve Act with its twelve Federal Reserve Banks, in which the gold reserves of the banks in the system are being concentrated for their protection and that of their depositors. When all the state banks join the system that can and should do so (and it is the duty of all state banks doing a commercial banking business to do so) we will have a system, strong enough I believe, to prevent the recurrence of the panic producing conditions from which we have suffered in the past.

“Undoubtedly the greatest obstacle in the way of getting the state banks to join the system and of securing the cordial co-operation and support of the National banks has been the adverse sentiment created by the compulsory features of the Federal Reserve Act. Under



it the National banks were required to contribute the necessary capital for the twelve Reserve Banks and to deposit their legal reserves in them, or get out of the National Banking system. Naturally the measure was not clearly understood at first, and to the great mass of bankers it looked like a combination of coercion and confiscation, and until the State banks should voluntarily join the system it placed on the National banks the responsibility of mobilizing their reserves for the protection of the entire banking business of the country, while they controlled less than half of it. The result so far has been that the State banks have assumed an attitude of watchful waiting. They have taken the position that as the National banks did not go into the system very cordially or even of their own free will, they will see it tried out on them, and as they can join at their leisure, they will wait until its success has been demonstrated, or until more urgent occasion for their joining arises.

Since the inauguration of the system abnormal conditions produced by the war have prevented its having opportunity to demonstrate in a broad way either its inherent strength or its beneficent usefulness. Much, however, has been accomplished by way of preparation and the machinery is now ready and available whenever necessity calls it into action.

“So far, only in isolated localities and under special local conditions have its member banks experienced actual necessity for its helpful facilities and availed themselves of them. Where it has been thus tried, however, its ability to protect its members and carry them through adverse local conditions has been so thoroughly demonstrated as to establish confidence in its ability to afford similar protection on a much broader scale should conditions call for it.



“While the unfortunate prejudice created in the minds of bankers at the inception of the system still smoulders, it is gradually being overcome, and when the Reserve Banks have, as beyond doubt they will have, a better and broader opportunity to demonstrate their strength and efficiency it will be entirely eradicated.

“Member banks will then awaken to a realization of the fact, not yet apparently fully appreciated, that these Reserve Banks are their own institutions, existing for their special use and benefit, and forming an essential part of the country’s banking system, which under no circumstances would they ever again wish to be without. Then too the State banks doing a commercial banking business, negligent as they are of their present duty of preparing for future emergencies will be only too glad to join the system for the protection it will afford them, just as in the past they have on occasion joined forces with the National Banks in issuing Clearing House Certificates.

“Clearing House Certificates will not, however, be available hereafter. The National Banks won’t need them, but will rely on the rediscounting and note issuing facilities offered by their reserve banks. The Government will undoubtedly prohibit the use of them, and on whom or on what will the State banks rely?

“If the State banks would pretty generally come into the system we would have in this country a strong well organized and unified commercial banking system with the cash reserves of its member banks held in an effective way for their individual protection and that of their customers. Thus they would be prepared to meet emergencies as they arise and would be in a position to offer to the public with confidence the proverbial strength there is in union.

“Contrary to my usual practice as presiding officer



on these occasions, I have taken advantage of the opportunity afforded me to thus state in a very crude and general way some of my personal views in regard to the Federal Reserve system. The subject is one in which I am vitally interested and with a high official of the system as our honored guest and so many bankers present I could not resist the temptation. I trust our honored guest, the members of the Club and our other guests will pardon me for thus trespassing on their time.

“We have with us tonight a gentleman who has devoted his life to the banking business and who has not only been very successful in the practice of it but has been a careful student of its underlying principles. He is a banker by inheritance, the well known banking house of Warburg having been established at Hamburg by his great grandfather when John Adams was president of the United States. He has had quite unusual opportunities to study the best banking systems of the world. After graduating he spent several years in Hamburg acquiring the rudiments of the banking business and then moved to London where for two years he was actively engaged in it. He then went to France and after an experience there of sufficient duration to enable him to become thoroughly familiar with the French system he returned to Hamburg. Later in 1893 to round out his banking education prior to being admitted as a partner in the firm he was dispatched on a trip round the world taking in India, China, Japan and the United States.

“Here he formed a connection that turned the course of his career and finally led him to settle in New York. After such an education and training it is not surprising that after settling down in this country he should have been a careful student of our banking system and methods, and on discovering their many defects



that he should have become an able advocate of necessary reform in our banking laws.

“During the panic of 1907 his articles on ‘Defects and Needs of our Banking System’ followed by ‘A Plan for a Modified Central Bank’ commanded wide attention and he became a recognized authority on the subject of banking, especially in its international relations. In 1910 he evolved a plan for ‘A United Reserve Bank of the United States’ the underlying principles of which are embodied in the Federal Reserve system.

“When Congress appointed the Currency Commission and it started its investigation, his services were promptly sought and secured and he became one of Senator Aldrich’s principal advisors in the investigation and in the preparation of the Commission’s report on which was based the reform since accomplished.

“The change of Government and party control at Washington did not dampen his ardor nor did his activities cease. He continued to press for the reforms which he saw to be urgently needed and became, directly and through his writings, of great assistance to the Banking Committees of the House and Senate in their preparation of the Federal Reserve Act.

“After this Act was passed and the system was being organized under it, he was selected by the President as a member of the Federal Reserve Board, a position which he accepted, at a personal sacrifice, such as few men have been called upon to make and fewer have made to take up the thankless job of serving the public.”

Gentlemen, it is my honor and pleasure to introduce to you the speaker of the evening, Mr. Paul M. Warburg, Vice-Governor of the Federal Reserve Board, who will speak to us upon the subject of “Government and Business.”



GOVERNMENT AND BUSINESS

HON. PAUL M. WARBURG: I have always thought that my friend Mr. Forgan was a truthful man, but you need not believe all he has said to you in my post mortem here. But I am glad to have his friendship and his esteem, and I hope that he will soon be here, back at his desk and amongst you all, with his usual good cheer and good looks.

It is about twenty-four years since I came to the United States for the first time, and, taking things in the sequence of their true importance, I came to see Chicago first and New York afterwards,—incidentally coming from Japan. I have since been a frequent visitor to this wonderful city, and every time I have come back I have been impressed anew with its continued growth as one of our most important centers of commerce and as a leader in civic thought. One of my visits here stands out with particular clearness in my memory. That is when I came here in April, 1911, delegated by a convention of Chambers of Commerce and Boards of Trade, in order to assist in the formation of a business men's league for the promotion of financial reform, a movement at that time still in its swaddling clothes.

This work was taken up by a group of your leading citizens with the intelligence and energy characteristic of your city, and if our country was able to pass through the last three years without any financial disturbance, strong enough to meet the phenomenal requirements made upon us, and if today we find ourselves fully prepared to carry the still greater burdens that public interest may require us to shoulder, these men may feel that they have done their full share in bringing about this happy result. For without the comprehensive campaign of education preceding the enactment of the Federal Reserve Act so far-reaching a reform could not have been carried out in proper



time. I am particularly grateful for being accorded this privilege of addressing the business men of Chicago, because it gives me a welcome opportunity of paying tribute to the part played by your citizens in this epoch-making work of monetary reform.

Those of us who know the Bible remember the chapter on the Tower of Babel. The story of the world's first skyscraper is the parable of the conceit and downfall of mankind. Confident in his ability to overcome any difficulty, man undertook to build a tower that would reach to the skies—and the world fell into general confusion. That is the world's condition today.

And those of us who know the old Greek tragedies can not help feeling that three hundred million people are drawn into this world contest by forces stronger than they; a power akin to the Fate that the Greeks held to be superior even to the gods; the cumulative effects and consequences of dynastic and racial feuds of generations and of inevitable economic developments.

The great calamity that has befallen Europe would, indeed, awaken in us nothing but a feeling of utter despair of the ultimate ability of the human race to rise from its aboriginal level, were it not for the confidence that out of this struggle there will come to the world a greater liberty of man and a loftier understanding of human rights; and furthermore for the redeeming thought that it is the profound belief in the sacred mission of their respective races that makes gentle and peaceful individuals willing, for the greater glory and advantage of their tribes, to endure and to inflict untold hardships and cruel suffering.

### RACE THOUGHT FOREIGN TO OUR COUNTRY

In the latter respect our own problems and ideals differ from those of Europe. The race thought is foreign to our country as a motive for making war. The United



States is not a one-race country; all the tribes of the world have brought to these shores that which is most characteristic in their strain, and merged it into the composite type of the citizen of the new world. When the United States goes to war, it can never be a race war; it must be a war for a principle, for liberty or for human rights. It can never be a war by a race against a race; but a war by people holding to one principle against people holding to another. Our greatest contribution to the world's development is that we are giving the living proof that common aims and ideals can be stronger than racial differences. When the die is cast there can be only one duty for any citizen, and that is to stand loyally by the flag of his country. But that duty is doubly strong with us, where any hesitation in that respect would shake the fundamental thought of the Union—which is: that its citizens must shake off the smaller racial or sectional thought and subordinate it to the larger duty of loyalty and allegiance to the principles of liberty, justice and equality upon which the United States is founded. That does not mean that we should cease to love the people who were near and dear to us in the old countries where our ancestors', or even our own cradle stood, or that we should forget that every one of these old races has given us some great contribution towards the higher development of our own country. During our Civil War many a brave man continued to love his brother, even though he found himself forced to fight him on the field of battle. But this tragic conflict of affections could not shake his loyalty to the cause he had espoused. And so it must and will be with us. When our country goes to war it has a right to expect and demand of all its citizens a willingness to serve and to suffer and to die. No matter what this may entail for any of us, about our whole-hearted and unquestioning allegiance to our flag, about our unhesitating readiness to stand by



our President and to do our duty, there can be no possible doubt.

### FINANCIAL SERVICE

This duty may be performed in many ways. It may be personal service with the colors. It may be organizing and placing at the disposal of the Government the various industries of the country, or the investors' prompt response to offerings of loans issued in the interest of the cause.

Under the particular circumstances in which we enter the war the financial aid that our country will be able to render will be one of our most important contributions, and I have no doubt that in whatever way our Government will finally decide to appeal to the American investor he will respond with an alacrity and in a spirit that will astound the world.

It is a profound satisfaction to all of us to know that never before was this country financially as strong and as well prepared as it is today. During the last three years our gold holdings have increased by 57 per cent from \$1,900,000,000 to about \$3,000,000,000. In addition, as you are well aware, we have improved our position as against other nations by repurchasing our own securities and making foreign loans to an amount approaching \$5,000,000,000.

### WHAT BANKING REFORM HAS DONE

Moreover, by the establishment of our Federal Reserve System we have organized this enormous strength. We have brought into effective co-ordination a large portion of the country's banking reserves. We have regulated and brought about a general understanding of modern methods of rediscounting. We have created a new wide market for bankers' acceptances, so that our member banks now have an easy means of recourse to the Federal Reserve Banks in case they wish to replenish their reserves.



We have established fiscal agency relations with the Government and perfected an instrument which may prove of great value in placing future issues of our Government securities. Not so much by investing their own funds, except when dealing with short maturities, but by acting as a medium of distribution, the Federal Reserve Banks may play a most important part in facilitating the participation of all sections of the country in receiving the payments for subscriptions and adjusting any drastic dislocation of funds that might arise through heavy payments by the banks to the Treasury.

We have available a vast supply of notes of undoubted solidity ready to be issued whenever there may be a demand; and, through the inter-district gold clearing fund, we have established machinery for the freest exchange of balances between the various parts of the country.\* Not by any stretch of imagination could we perceive the possibility of a gold premium between the various American centers or a currency famine as in years gone by. About our power to take care of ourselves there can be no doubt. But in view of the unparalleled demands that may be made upon us both during the war and after the conclusion of peace, demands which it may be our highest national interest and duty to satisfy—we should not neglect to perfect our financial machinery to such a degree as to give it the greatest possible strength.

### AMENDING THE RESERVE ACT

For this reason the Federal Reserve Board has again recommended to Congress amendments having for their object a still further concentration in the Federal Reserve Banks of gold held in scattered bank reserves and a more

\* Instead of shipping currency from one district to another we have transferred ownership of gold by book entries averaging about one billion dollars a month for the more recent period. Our clearing per day amounts now to about \$100,000,000.



liberal substitution of Federal Reserve notes for our present rigid 100 per cent gold certificate circulation.

One billion dollars, one-third of the gold holding of the United States, is at present "unaccounted for"; you and I carry it in our pockets, it is in the tills of the baker, the grocer and dry goods store. We all would just as leave take Federal Reserve notes—our Government's absolute obligation secured at present by practically 100 per cent of gold and all the assets of the Federal Reserve Banks. It is as apparent that it would increase our strength enormously if we could add to our organized reserves a substantial portion of this wasted gold, as it is obvious that it would be nothing short of a crime wilfully to withhold from our country at this time so vital an addition to its power of offense and defense.

Unfortunately, in the general tie-up of all legislative work at the end of the preceding session, Congress was unable to pass the desired legislation. It is most essential for the best interest of the country that prompt action be taken by the present Congress and it is most desirable that public opinion assist the committees on banking and currency in securing early and favorable consideration of these amendments, which will enable us promptly to complete our financial mobilization.

### GOVERNMENT AND BUSINESS

When many months ago I accepted your flattering invitation and selected "Government and Business" as the topic for my address, I did not anticipate that between then and now conditions would take so serious a turn that the relation of Government and Business in times of peace would hardly be of interest to my audience. But just because at this present juncture we see so plainly to how great an extent a country's fate depends upon its railroads, its shipping, its industries, and its finances, and just be-



cause we perceive so clearly how essential it is to secure consistent development and preparation in times of peace, it may be worth while to stop and analyze the gradual growth in importance of the interrelation of Government and Business. We may well ask ourselves: "Has government activity in business—generally called regulation—come to stay?" "Is its future scope going to increase or decrease?" "Can modern business succeed without it?" "What is the attitude of business toward government and government toward business, and what should it be?" There are large questions which it would be interesting to discuss in the light of the past, present and future, but we can not do more than dwell tonight upon the most essential phases of the problem.

Some of the chief economic changes brought about in Europe during the past century have been: The transformation of nations from political entities into political and economic units; the evolution from mainly agrarian into industrial States; from decentralized, self-contained, and self-supporting individual activity, to strictly specialized vocation. This development has brought about wholesale production on the part of the individual and community, depending upon broad national and international markets both for the sale of excess products and for the purchase of many articles, of necessity and luxury. It has resulted in making every country dependent upon the goods of others.

When Napoleon I overran Europe, a little over one hundred years ago, England was the only industrial or manufacturing country. Germany was then a multitude of small, separate, agrarian states, a country of "poets and thinkers." When Napoleon closed the continent against England he cut off the latter's trade in such articles as cotton and woolen goods, steel, coal and glass, just as Germany has been deprived today of her foreign trade.



But he could never have thought that, in so doing, he might be subjecting to famine a large continent which at that time was essentially agrarian and entirely self-supporting with respect to foodstuffs.

Prussia's defeat at the hands of Napoleon brought forth in that country the theory of "a people in arms." Since then, universal service has gradually been adopted by all the leading nations on the European continent, and at the same time most of them have become, to a greater or less degree, industrial countries. These two evolutions have been most important factors in the making of modern history.

### WHAT INDUSTRIAL EXPANSION MEANS

Industrial development enables a nation to sustain within its boundaries a larger population than it can support by its own agricultural products, provided it can trade with countries that have a surplus of such foodstuffs. Larger population and taxing power means, in turn, the possibility of creating greater armies. But industrial countries are vulnerable if they can be cut off from other nations which supply them with raw materials essential for their daily life.

Here we have in a nutshell the European problem, as it lay at the root of the present world catastrophe, and we see the importance of the part played by business in this connection. Given the wicked division of Europe into two armed camps, of fairly equal power, it is obvious that each side must have watched with the greatest concern any change in any of these three important items: population, wealth and ocean control. Wealth is all the more important because the efficiency of modern armies and navies is dependent upon the most modern and ample equipment, a dependence which in turn resolves into a question of financial endurance.



Modern warfare has since developed the fact that defeat or victory depend upon the degree of speed and efficiency with which unheard-of quantities of ammunition and instruments of war can be supplied. And a country's ability quickly to organize and mobilize its industries has become a most essential factor in the struggle of the nations.

### GOVERNMENT'S INTEREST IN BUSINESS

This explains why European governments, in questions of commerce and production, have long ceased to be simply regulators of business, and have become active promoters of business, and at times have even become partners in it, or themselves producers.

Not on account of the welfare of the individuals concerned, but on account of the national importance of these subjects, governments are vitally interested in proper tariffs and commercial treaties. Railroading and shipping are likewise objects of the care of government — not merely because of their strategic importance, but because of the bearing that efficient transportation has upon a country's development and its ability to compete with other nations.

In railroading and shipping we find in the world today all kinds of government influence, from state subventions and control of tariffs, to joint partnership between private capital and government, and complete government ownership and operation.

In a similar manner, we see governments actively promoting agriculture and new industries, we see them organizing their industries into aggressive syndicates (and cartels), and we see a growing tendency on the part of almost all countries to control and develop their own natural resources. At present we see in Europe governments operating factories and regulating almost every phase of demand



and supply to a degree never before known. We have seen some governments at work to develop new markets by acquiring and operating new colonies.

We have seen in Europe during the last twenty years a growth of control by governments of the national power to save and invest in foreign countries. Foreign loans were directed by governments to points where they were to produce business for the lending nation, or where they were to assist politically allied countries, or where — through financial aid rendered — other countries were to be drawn into closer commercial and political relations. Loans granted to China, Russia, Turkey and the Balkan States, are illustrations of such a policy.

We all fervently hope that the end of the war will bring about conditions enabling all powers to reduce armaments, thus lessening the urgent necessity for governments to secure increased revenues for the sake of maintaining large armies and navies. On the other hand, the debts of the leading powers of Europe have increased at such an unparalleled rate that what seemed an unbearable military burden in the past will appear small as compared with the financial burden of the future.

If we take the average for the three years preceding the war, we find that England, France and Germany together spent annually for their armies and navies about \$1,000,000,000. Their combined debt service for 1914 amounted to about \$430,000,000. Their annual interest charge, without amortization, on the basis of their present funded indebtedness, amounts to about \$2,180,000,000 per annum, or more than twice the amount formerly spent for armies and navies.

### INCREASED GOVERNMENT INTEREST

The consequence will be that the future business activities of governments, in scope and intensity, will not be



decreased, but will be increased. It will have to be their concern to rebuild their country's trade, to bring it back into conformity with the normal requirements of nations at peace, to secure larger revenue from a weakened people, to reduce to a minimum imports for the purpose of unproductive consumption, and to increase to the maximum the exporting power of the nation. Every country in the world has learned during the last three years the necessity of developing its own resources and of becoming less dependent upon other countries for its normal requirements. There will be a tendency, I believe, on the part of most of the leading nations, even after the establishment of peace, to keep their trade balances under government control by restricting importations, particularly of luxuries, by regulating home consumption and by bringing about the lowest possible cost of production on the broadest possible basis of organized co-operation. I have no doubt that government monopolies will be established for the production of many important articles. Exchange of goods between countries, once the shortages of raw materials and finished products have been met, will, to my mind, be decreased in volume, rather than increased, as compared with pre-war times. And wherever purchasing power exists there will be the keenest kind of organized competition to secure the contracts for the goods required.

I have outlined these conditions at such length in order to ask the question: "In the face of the ultra-organization to be expected of other countries, can we afford to believe that when peace is restored we can meet this competition, or hold our own, unless we likewise systematize or organize our individual efforts?"

Furthermore, if in Europe it is necessary to have governments take an active part in organizing industries and banking, may we assume that it can be done without government regulation in a country which by law and sentiment much



more than Europe is opposed to extensive combinations in industries and banking?

### REGULATION IN THE UNITED STATES

We are all in accord, I believe, in thinking that, if at all possible, the operation of industries by party governments in the United States should be avoided. Where regulation is required and where regulation borders on the field of operation, it is best exercised through non-partisan government bodies. Leaving aside the councils and commissions organized for the purpose of dealing with emergency situations, we have bodies of that kind in the Interstate Commerce Commission, the Federal Reserve Board, the Federal Trade Commission, the United States Shipping Board, and the Tariff Board. The task of government regulation is as complex as it is ungrateful. It is largely a judicial function. Those charged with it must hear the producer and the consumer, the shipper and the carrier, the borrower and the lender, and find a course that is fair to all, at the same time taking into consideration the larger question of the interests of the entire country in its national and international aspects. In addition, the problem of the producer and the shipper must be dealt with from the two-fold point of view of capital and of labor.

Foreign governments which own and operate coal mines, and thereby regulate the price of fuel, are interested in securing large revenue resulting from a combination of high prices for coal and low cost of production. At the same time, however, they have to consider the millions of individual consumers, the manufacturer, who must be able to compete in the world market, and finally the miner, who is entitled to reasonable wages. Efficient government regulation must conscientiously weigh all these aspects with fairness towards all, with malice towards none. It can not please all sides; it probably will invariably displease



some party involved in the question, or even all. But the test of its work does not lie in praise or blame. There is only one standard to be applied, and that is: "Has its work been fair, and, first of all, has it been constructive?"

### THE ATTITUDE OF BUSINESS

When by reduction of rates and improvement of service, excessive dividends on watered railroad stock are cut, no harm is done; provided the country at large profits from such action. If, however, by going to an extreme in this direction the corporation's credit is impaired, and its ability to grow and expand is thereby destroyed, regulation proves a failure. The carrier, by exacting extortionate rates, may hurt its own interests because it is bound to weaken or even destroy the shipper, or drive him away to other lines. Conversely, the shipper, by securing excessively low rates, may destroy the railroad's ability to serve him well, or to serve him at all. But these two conflicting interests, themselves often engaged in a life and death struggle with their own competitors, can not take any but a strictly selfish view, and there must be a power to intervene between them, protecting them from each other, and safeguarding the public interest. Without governmental bodies of this nature, which take a judicial and at the same time constructive point of view, the only remaining solution would be government ownership and operation.

All this is so obvious that I feel like apologizing for taking your time in stating it: but if it is obvious that these bodies perform functions of the very highest importance in regulating transportation and finance, in developing equitable tariffs, and in seeking to develop ways and means by which our industries may organize for joint and effective competition in foreign fields, why, then, if this is so obvious, does business look upon the work of these bodies, generally with apathy, and frequently with ill-disguised animosity?



I believe there are four main reasons:

First: We are a highly individualistic people; we cherish our personal liberty and naturally resent any kind of compulsory regulation as bothersome and unnecessary interference;

Second: There is a strong belief amongst American business men that they "know better," and that any Government requirement or regulation is bound to be theoretical rather than practical; extreme and destructive rather than helpful;

Third: It is natural that those should be dissatisfied who in the past had a larger piece of pie than was due them, which had consequently to be cut by government interference;

And, finally, it is equally natural that those should be dissatisfied whose slice, small in the past, has been increased by the government, but who now feel resentment that they can not have the whole pie to themselves.

We need not lose much time over the last two classes, but we may devote some thought to the first and second.

### DEMOCRACY AND PERSONAL LIBERTY

True democracy can not resent self-imposed regulation as an infringement on personal liberty; it would be that only if it were imposed by others. We willingly accept police regulations as measures adopted by ourselves for our own personal safety. Why, then, should we revolt against regulation that deals with the much larger question of national protection?

Putting the question in this way is to answer it: "Because, in our daily life, we value our personal interest higher than that of the country."

These last months have brought us face to face with problems of extreme gravity. Their redeeming feature has been that they have awakened in us the willingness to



consider our country first, and to place our personal comfort and interest where they belong — in the second row. But our lesson would be only half learned if we did not begin to apply it in peace as well as in times of stress or war.

As to the second charge that these boards are largely filled by men stronger in theory than in practice, I believe that in thinking of them many of you have in mind Bernard Shaw's sarcastic remark, "He who can, does. He who can not, teaches."

But, gentlemen, when you consider the tremendous scope of influence the Government is bound to exercise in the future business life and growth of nations, when you bear in mind that with the rapid changes of heads of departments and in our legislative bodies, these non-partisan boards and commissions may become the strongest elements of economic stability and expert knowledge, you will agree that these government boards will not be positions for "teachers," but, indeed, for real "doers."

### EXPERT TALENT NECESSARY

Do not overlook, gentlemen, that these boards will have to act as buffers and balance wheels, not only between the various business interests involved, but also between emotional and changing factional government influence on the one side and the needs of quiet and steady economic evolution on the other. Capital and labor, farmer and manufacturer, shipper and carrier, all have their spokesmen in Congress, often representing as one-sided a class view as the classes themselves. To understand all parties to the controversy, to combine the business man's point of view, as well as the farmer's, with the more detached conception of a non-partisan, expert government body; to arrive at the judicial and national point of view; to discover the proper middle course conducive to the best interests of the entire country; to prevent harmful over-regulation in either direc-



tion; to overcome mutual distrust, prejudice and suspicion of all parties concerned, is a task deserving of the best talents and the strongest characters of the nation.

The scope of government regulation in business matters all over the world will not decrease but rather increase in the next 25 years. Modern states can no longer succeed without it. For us it is no more the question of whether we shall or shall not have government regulation, or promotion, in certain branches of our business life. The problem is to find its most efficacious form. Unless we do, we shall fail to hold our own. For us, the question is only shall it be a non-partisan, expert regulation or one changing with changes in party government.

That democracy is the ideal form of government, I do not doubt. But Europe's recent history has borne out the experiences of 2,000 years ago: that, in the hours of greatest need, democracy is often not the most efficient form of government. That is why in the old Republic of Rome, in times of war, recourse was invariably taken to temporary dictatorships, and that is why, for certain branches of government, we now see this form of administration again adopted in Europe. Democracy is government by the people. It is the most self-respecting form of government. But, being the expression of the ever changing will of the masses, it is lacking in stability of policy, and continuity in office of trained men. It furthermore abhors autocratic power vested in single individuals. It believes in checking one power by another, and each man by other men, and, therefore, vests authority in groups rather than in individuals. These are conditions which cannot be avoided. But whether democracy will prove itself capable, however, of dealing effectively, fairly and promptly with the intricate economic problems of the modern state will largely depend upon our ability to develop to their proper degree permanent and capable expert boards and commissions, assuring



that measure of stability and reasonable promptness in action without which healthy progress can not be made.

But, Gentlemen, in order to achieve that result, such boards must find an attitude of sympathy and support on the part of the country.

### "SUPREME COURTS" OF BUSINESS

Business men must feel toward these boards as lawyers do toward the Supreme Court. Just as any lawyer might be expected to give up a highly remunerative practice in order to accept a call to the Supreme Bench, so the Government must feel that it is entitled to ask the best business minds to serve on a supreme bench, if you please, of transportation, banking or trade. It is true that being a member of these boards entails sacrifices of a material and, what is more, of a personal nature; but, if in England, France and Germany the flower of the nation always stands ready to serve its government, why should our country find its citizens less ready to follow its call? Men are willing to serve their country if they feel that the sacrifice involved is commensurate with the result to be achieved and if they can count upon the confidence, the sympathy and the support of the people. How much have business, railroad and banking done in this respect to enhance the attractiveness of these government positions? Have they tried to do everything in their power to help in the public work and to promote a sympathetic understanding, or have many done the best they could to belittle it; to lament unnecessary government interference and to discourage those charged with the duty of carrying into effect the people's will?

Personally, I have no reason to complain, but speaking by and large about the general attitude of the public, I am certain that you will bear me out when I say that it has not been what it should be for the best interests of the country.



It ought to be clear beyond a doubt — particularly for you business men — that the more capable the men serving on these boards, the better for all concerned; that the higher the estimation the country places on the work of these boards, the more the country realizes the importance of having the ablest men serve it, the greater will be the chance of securing and retaining for these boards the services of leaders in their respective callings, that the more capable the various interests show themselves of taking a large and co-operative point of view, the greater will be the justification for the Government to fill these boards in a larger measure from their own ranks instead of seeking them elsewhere. Men who join such commissions or boards do not want empty compliments or praise. There is but one possible compensation to which they aspire, and that is success in their efforts. If the public is interested in their efforts; if it trusts them and wishes them to prevail, their battle is half won. Intelligent understanding and a sympathetic and co-operative attitude is all that they require.

May I tax your patience by illustrating these conditions in speaking to you of some problems of the Federal Reserve Board?

### APATHETIC BUSINESS MEN

I have mentioned to you the important amendments we are trying to secure; amendments in the adoption of which every American citizen is interested and nobody more than the business men. For almost three years the Board has been striving towards the perfection of this greater financial mobilization. How many business men have followed the work of the Board; how many have raised a hand in its support? How many realize that what really caused the fatal delay in acting upon this legislation was, as we have reason to believe, a side issue bearing no relation to the proposed amendments? It was the question of whether there should be added to the amendments the right



to make certain exchange charges, abolished by the Federal Reserve Act, but which a large number of small country banks want to see restored. Time does not permit me to go into the merits of the case, even though it offers a characteristic illustration of problems requiring governmental regulation.

Whether or not these charges should be permitted or refused is a matter for Congress to decide, but it does not seem reasonable that vital legislation should be withheld or delayed at this time on account of an issue which ought to be settled independently upon its own merits.

I have mentioned this incident because I have been wondering at the apathy of business men and, in a similar manner, it has been a source of surprise to me that, apparently, they have not yet fully realized that the entrance of the State banks and trust companies into the Federal Reserve System is their concern.

### STATE BANKING INSTITUTIONS

The exchange problem would not offer so much difficulty if it were not that the member banks feel it a hardship that they should be asked to provide the entire system of protection for the country while the State institutions not only do not contribute their share but, in addition, are free to make exchange charges and to conduct their business as they please. The State banks and trust companies, not counting the savings banks, have deposits of about  $9\frac{1}{2}$  billion dollars, and outside of the System carry cash in their vaults amounting to \$600,000,000. A large portion of this cash ought to be added to the general reserve power of our country.

If some of the directors or presidents of State banks or trust companies were asked by their neighbors to join in paying for a watchman to patrol the neighborhood of their private residences, would any of them say: "Why should I?



As long as you, Mr. Neighbor, pay the watchman for your house, I am protected anyhow without my paying for it."

I know that a great many of the leading State bankers of the country are very sensitive as to this situation. They do not feel happy about it and have made up their minds that it is the proper thing for them to come in. They would much rather be in the position of paying their share of the watchman's salary. They furthermore know that every depositor in a member bank contributes his share to the stronger protection and to the greater credit power of the country, and that their depositors will awaken to a realization of the importance of this condition. They know that in case of a real strain savings banks, trust companies and State banks indirectly will have to depend upon the strength of the Federal Reserve System others maintain for them. Some of them, doing a large acceptance business, profit every day from the acceptance market created by the Federal Reserve System, a market that has enabled the American dollar acceptance to take its place along with the Sterling, Franc and Mark bills in all parts of the world. But they know that entering the system means certain sacrifices in earnings, and, maybe, the loss of some interlocking directors. Yet, if that is their contribution to the rise of America's banking system and to the safety and better growth of our economic edifice they ought to be willing to pay that price. They know it and they will do it; but the trust company president thinks of his competitor — "will he come in? If he will, I will."

While still a banker in New York, I once tried to get into a subway train during the rush hours. I forced my way into a crowded car, but with another man was caught between the automatic doors which would not close behind us. My fellow sufferer began to yell at the top of his lungs: "Isn't there anybody to push us in?" Well, a guard came and pushed us in. It looks to me as if there were enough in



the present situation to push the State banks and trust companies in. This is a time when beyond a doubt public interest must prevail over individual advantage.

### THE BURDEN ON 7,500 BANKS

Early training in banking in Europe has inculcated in me an aversion to banking by regulation when, by intelligent voluntary action of the banks, the same result can be achieved. But in Washington I am constantly met with the view that without compulsion it is impossible in the United States to make any headway. I have been unwilling to surrender to that point of view. I liked to think of the Federal Reserve system as of a club which the strongest and best banks consider it an honor to join, and not as of a "club" to swing over the heads of the banks in order to coerce them into sound banking co-operation. It is a most satisfactory fact that in almost every important city some leading State institutions have come in voluntarily, and I hope that on that same plan the majority of the strong State institutions will soon follow.

The stipulations prescribed by the Board for State bank and trust company membership are most liberal and, as a matter of fact, more favorable than those governing national banks. The Board's policy has been not to restrict member State institutions in the exercise of legitimate banking powers, granted to them by their respective states, but rather to try to enlarge the powers of national banks where they find themselves at an unnecessary disadvantage against their non-member competitors.

The present condition of having 7,500 banks carry the burden for 27,000 is unfair both to the member banks and the best interests of the country. The strong non-member banks who, knowing the facts, do not remove this inequality will, in time, force the Government to do its duty in adjusting the matter. But if Congress finally should be forced to



swing "the big stick," they will be the ones to complain most loudly about the "nuisance and unfairness" of governmental compulsory regulation.

### BANKING REGULATION NECESSARY

Under a highly developed system of branch banking, there are in England 259 joint stock banks, in Canada 21, in Germany about 350. We have about 30,000. It is obvious, therefore, that leadership and direction by Government agencies is even more necessary with us than in Europe. We have adopted from Europe the principle of co-operative protection in banking and we ought to accept from them also the loyal spirit in which they co-operate with their leaders. The people, the banks and the press are mindful of the fact that farmer and manufacturer, borrower and lender, of necessity can not take an unselfish point of view; that no matter how profoundly they believe they have given due regard to the country's general interests, most of them are so busy with their own affairs that they have not even had the time to consider the problem from any but their own angle. The central bank's actions must, of course, bear careful analysis and healthy public discussion. But the first impulse abroad is to follow the men they have placed in charge, to stand by them and to take it for granted that the obvious is not likely to have escaped their attention, and that the only object in view is to be fair to all and do the best for their country.

More than in Europe it is necessary with us that our banks shall not consider the Federal Reserve System as an unwelcome and bothersome leash from which some day they still hope to escape. The Federal Reserve Act provides for a joint administration by Government on the one hand and banking and business on the other. The more the banking and business communities realize that Government regulation in banking is indispensable and has come to stay,



the more they substitute for a critical attitude a spirit of active co-operation, the more they begin to recognize their duties and privileges as half-partners in the administration, the more they make it their business to perfect the machinery which has been established for their own protection, helping instead of hindering those who try to make it a success, the happier and the safer will they be and the better it will be for all. Let them be clear about it that our people will never permit this Federal Reserve System, or any other similar system, to be run by the banks alone without the check and regulation of the Government, just as little as the country would permit the Government to run such a system without the counter-check of the co-operation of the banking and business communities. You may say that this marriage between Government and business is not wedlock based upon love at first sight. But no matter whether it was love, reason, or necessity that brought it about, there can be no divorce. And inasmuch as they must live together, the only wise course is to pull together and let the common interest act as the strong bond uniting them.

And, now, coming back from these illustrations taken from my own field of activity, permit me in closing to recapitulate the thoughts that I have tried to convey.

### CONCLUSION

The modern state is as much an economic as it is a political unit. There are millions of individual enterprises apparently self-centered and independent, but, as a matter of fact, all dependent upon each other. There is not one in the conduct of which, directly or indirectly, the State is not interested. There is not one which, by exaggerating the single and selfish point of view, might not do harm to others and affect the well being of the whole. Whenever the fair middle course, essential for the greatest prosperity and comfort of all, can not be established and adhered to by



common understanding between contending parties, Government has to step in as a regulating factor. If this regulation is to bring about the best results, it must not be exclusively preventive of abuses or destructive of old business practices, but it must be, at the same time, constructive. Government must not regulate only. It must also promote.

In the state of the future, particularly in Europe after the war, the most efficient Government promotion of industries in many lines will be held to exist in actual government ownership and operation. More than ever before will states become solid industrial and financial unions effectively organized for world competition driven by the necessity of perfecting a system of the greatest efficiency, economy and thrift in order to be able to meet the incredible burdens created by the war.

Such is the future of the world in which we shall have to maintain our own position, and it requires, on our part, thorough organization and steady leadership. Under our democratic system this can not be furnished by changing party governments, but can only be provided by fairly permanent, non-partisan and expert bodies. These bodies must combine the judicial point of view with that of active and constructive business minds. They must be able to act as expert advisers alike to Congress and the industries concerned. They must break down suspicion and prejudice of Government against business and of business against Government. They must stand for the interest of all against the exaction or aggression of any single individual or group, be it called capital or labor, carrier or shipper, lender or borrower, Republican or Democrat.

Our ability to handle effectually the great economic problems of the future will depend largely upon developing boards and commissions of sufficient expert knowledge and independence of character. This will be possible only if both Government and the people fully appreciate the im-



portance of such bodies, so that the country may find its ablest sons willing to render public service worthy of the personal sacrifices it entails.

I believe that the dark clouds of sorrow and suffering which for three long years have shrouded the world will before long show us their "silver lining." We shall see it in the greater political liberty and safety coming to millions in Europe. We shall perceive it in the chastening that will come to some and the awakening in others to the deeper realization of the things most essential in life. To us it will bring, I believe, a keener appreciation of the individual's duty towards his country, not alone to his country in stress, but also to his country in its peaceful endeavors. It will develop a better understanding of our common problems, and with a proper estimation of their importance there will come a greater willingness on the part of all to serve the country either by taking a more active share in its government or by readier and more intelligent subordination of our own work or comfort to the larger public interest.

This broader conception of genuine citizenship will perceive in government regulation not unwelcome and arbitrary restraint to be resented by liberty-loving men, but self-imposed rules established for mutual advantage and protection.

Aristotle, in defining the essential characteristics of liberty, said: "It is to govern and in turn to be governed," and this thought has lost nothing of its force even though 2,000 years have passed since it was expressed.

Liberty without government is anarchy.

Government without co-operation of the governed is autocracy.

To govern and in turn to be governed is the only form of true liberty.

In this conception there is nobody governing and nobody governed. We all govern and serve alike and together.



We all serve one master; the only master that no liberty-loving man need be ashamed to serve — we serve our country.

VICE-PRESIDENT DONNELLEY: Mr. Warburg, it is with confidence that I desire to express the deep appreciation of every one of your hearers in our enjoyment of this profound, analytical and inspiring address, and also our great appreciation of the personal sacrifices you have made in leaving your duties at this time to come to Chicago to deliver this talk.

The meeting then adjourned.



# TWO HUNDRED FIFTY-FOURTH REGULAR MEETING

## Thirty-Ninth Annual Meeting

Closed Meeting: President Forgan Presiding

### PROGRAM

#### PRESENTATION OF ANNUAL REPORTS

Treasurer\*

Secretary\*

Committee on Plan of Chicago

Chicago Plan Commission\*

Committee on Revision of Illinois Taxation Laws\*

Committee on State Budget and Efficiency\*

Committee on National Defense\*

Report of First State Pawnors Society\*

Report of Joint Committee on Re-Organization of Municipal  
Government of Chicago\*

Report of Nominating Committee

Report of Merchants Club Fund\*

\*For full text of report see next section of Year Book.

**PRESIDENT FORGAN:** Gentlemen, the first order of business is the report of the President.

This is the thirty-ninth annual meeting of the Commercial Club. The year just closed has been one of unusual conditions. Every matter of public interest has been over-shadowed by the European war. The attention of the Club has, therefore, naturally been largely directed to the effect, present and future, of the war on the United States.



The fact that we have now joined the Allies in carrying on the war to a successful conclusion, is the best evidence of the necessity for military preparedness.

We started the year with a special meeting on April 27, 1916, at which the necessity for military preparedness was presented to us by the Adjutant-General of the state and the commanding officers of the First Cavalry and the First Infantry of the Illinois National Guard.

Shortly after this meeting there was a mobilization of the military forces on the Mexican border and part of them under General Pershing invaded Mexico as an expeditionary force to catch and punish Villa for his depredations on the border.

At our regular meeting in December we had Major Davis of the First Infantry and Col. Foreman of the First Cavalry again give us their views on military preparedness as modified by their experience in this campaign.

Again at our regular meeting on February 10th we had our attention specially directed to military training in camps and schools by Major-General Barry commanding the Central Department, Major Malone in charge of the military training camps in the Central Department and Captain Steever, the director of the Wyoming Plan in Chicago schools.

Three of the six meetings of the Club were, therefore, devoted to the consideration of these military matters and beyond doubt they had a very decided effect on public opinion in regard to the necessity of being prepared for whatever might be ahead of us.

At our meeting in November we had a very interesting and instructive address from Congressman James R. Mann on Proceedings and Procedure in Congress. At our January meeting Honorable Edward N. Hurley, who has since been elected a member of the Club, explained to us in a very interesting and instructive way the work of the Federal



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Trade Commission, of which he was then chairman, and at our last meeting in April we had a very able, interesting and instructive address from Mr. Paul M. Warburg, Vice-Governor of the Federal Reserve Board on Government and Business.

It can, therefore, be said that all the six meetings of the Club were devoted to the consideration of live current questions of special importance in view of the unusual conditions already referred to.

During the year the Club enjoyed two outings, one on June 28th to the Naval Training station at Lake Bluff, and the other on October 28th to Onwentsia Golf Club. Both proved very enjoyable occasions to those of the members who attended them.

During the year the Executive Committee has held twenty-four meetings at which the activities of the Club in charge of the various committees were considered and advanced.

In accordance with the resolution passed at the last annual meeting of the Club recommending that the executive committee should take the necessary action to turn over to the officers of the Glenwood Manual Training School the permanent endowment fund of fifty thousand dollars held in trust for the benefit of said school, the committee voted to so turn over the fund, which has been done, and the trust has been closed.

I might mention that at the last meeting of the executive committee — and they have not had a meeting since, so they are not posted in regard to this matter — we decided to extend invitations to the French and British Commissions now visiting this country, who when they visited Chicago we should have an opportunity of entertaining. We extended these invitations through the French and the British Embassies, also through Third Secretary of State Long, who had the matter in charge on behalf of the administration.



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We received this letter from the French Ambassador:

Dear Mr. President:

My compatriots will certainly be very thankful for your kind invitation. All that concerns the program of their stay in Chicago is, however, not in their own hands, but in those of the Department of State and of the City Council of Chicago.

I take, therefore, the liberty of suggesting that you kindly place yourself in communication with that Council in order to ascertain whether it can be possible for my compatriots to avail themselves of your invitation.

Offering you my best thanks, I beg you to believe me,  
Sincerely yours,

JUSSERAND

I attended the meeting of the citizens committee for the entertainment of these gentlemen, and mentioned the matter to the chairman, Mr. McCormick. He made a note of it and said he would see what they could do and would endeavor to get us in as part of the entertainment, but he afterwards told me after the executive committee had met once or twice he found it was going to be impossible to have the Commercial Club entertain the French Commission, who are here now and are leaving tonight. So that is passed.

I have received this letter from the British Embassy:

Dear Sir:

Mr. Balfour has received through the British Ambassador your letter of the 27th inst.—This letter was written from the British Embassy, but it is Balfour's secretary who writes it.

Mr. Balfour greatly appreciates the honor of the invitation of the Commercial Club of Chicago, and it will give him the utmost pleasure to visit that city if he is possibly able to do so.

His absence from England must necessarily be of as short duration as is consistent with the duties of his mission, but although he is unable to make a definite engagement at present he hopes that it will be possible to visit Chicago.

Yours very truly,

C. F. DORMER



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So that there is still a possibility of our being able to entertain Mr. Balfour and the others of that commission.

MR. HARRISON B. RILEY: The evening papers have reported that they are going to visit Chicago.

PRESIDENT FORGAN: I happen to know that the British Commission is going to break up, because Lord Cunliffe, Governor of the Bank of England, is coming along with Mr. Hamlin, the ex-governor of the Federal Reserve Board, and Mr. Allen, the secretary of that board. They are to be here on Tuesday. He comes on a visit to the Federal Reserve Bank and evidently wants to come in a private capacity and does not want any public entertainment. The bankers will entertain him at luncheon, and the Federal Reserve Bank is going to invite the bankers to meet the party at dinner at night. They are to arrive here in the morning and leave here in the afternoon. They are going to visit St. Louis first; be in St. Louis on Monday, here on Tuesday, and then they are going to Cleveland and Detroit, just visiting the banks; that is about all I have to report as president.

I will now call upon the officers and the chairmen of the various committees to make their various reports. The first report is the report of the treasurer who is not able to be here tonight. The secretary has the report, however, and will give us the figures. (See page 297 for report.)

(A motion to approve the report was duly made, seconded and unanimously carried.)

PRESIDENT FORGAN: The next order of business is the report of the Secretary, Mr. Alfred Cowles. (See page 293 for report.)

(A motion, duly made and seconded, that the Secretary's Report be accepted with many thanks was unanimously carried.)



**PRESIDENT FORGAN:** The next committee is the Committee on the Plan of Chicago. I understand that that Committee had little or nothing to do during the year and have no special report to make. We have, therefore, asked Mr. Charles H. Wacker, the Chairman of the Chicago Plan Commission, which is the outgrowth of that committee and is carrying on work along that line, to submit a report of what the Chicago Plan Commission has done during the year. Mr. Wacker is absent, and Mr. Clyde M. Carr, a member of the Commission, will read it.

**MR. CLYDE M. CARR:** Mr. Wacker's report is as follows:

My report on Plan Commission work for the past year is necessarily brief, although I believe the progress which the Plan of Chicago has made is a subject for congratulation.

*Twelfth Street:* Since my last report, all Supreme Court decisions in the Twelfth Street case have been rendered, with the exception of one or two, which are expected next month. With three exceptions, all the buildings between Ashland Avenue and Canal Street have been removed or moved back. The lowest bid for the new Twelfth Street bridge, due to the war price of steel, was 100 per cent greater than the appropriation. In view of all the new bridges to be built in the near future, the Commissioner of Public Works felt that it would put the city in an embarrassing position to accept such a high bid. New bids have, therefore, been ordered.

*Michigan Avenue:* In the Michigan Avenue case the hearing of the objectors on the assessments for benefits where no property is taken or no claim made for damages was finished April 6th. The hearing on cross petitions covering Michigan Avenue property damaged but not taken and property on side streets affected by a change of grade, are now going forward daily. This is true also of the cases where property owners waived jury trial, agreeing to abide



by the decision of the court. It is expected that both branches of the case now in court will be ended by the latter part of May, when the city will start its rebuttal.

It is hoped that the final branch of the case, covering the jury trials on property taken, may begin early in June. The attorney for the Board of Local Improvements has succeeded in getting properties, totaling about four blocks of frontage, to accept the Court Commissioner's awards. This has shortened the trial by about twelve weeks. The legality of the proceedings has been established by an agreement between the city and objecting property owners, whereby the owners withdrew all their objections to the city's right to make the improvement. This leaves only the adjudication of the amounts of awards for damages and assessments for benefits. On one piece of property the award of the court commissioners was \$550,000; the property owner claims \$1,750,000 damages.

*Lake Front:* Since my last report constant negotiations between the city authorities, the Illinois Central Railroad Company, the Railway Terminals Commission and the Chicago Plan Commission have taken place in connection with the lake front improvement. At present the matter is being held up pending the appointment of new council committees. It is our intention to use every endeavor at our command to bring these negotiations — which involve the question of electrification — to an early and successful completion. This will open the way for the granting of government permission enabling the creation of the south shore parklands. How this can be done *for nothing*, in *twelve years*, through the utilization of Chicago's waste material, has been embodied in pamphlet form and distributed to each member of this club. A plan has been prepared which has the approval of the South Park Commissioners and the Lincoln Park Board for connecting the north and south side park systems, by an outer driveway



between the Municipal Pier and Grant Park at Randolph Street. This driveway could be made by the two park boards without requiring action on the part of the city authorities.

*Post Office:* The appropriation of \$6,000,000 for the west side main post office, approved by the House, failed to have Senate action at the last session of Congress because of the national crisis. It is now proposed to ask for an appropriation for the Chicago Post Office alone, rather than tie it up with "pork" appropriation bills.

*Forest Preserves:* The survey of Cook County by the Board of Forest Preserve District Commissioners shows 35,000 acres of land available, of which 21,000 acres have been recommended. The board has \$11,000,000 available for the purchase of these preserves. Upwards of 2,000 acres have already been purchased and 1,000 more have been selected. It is the purpose of the Board to provide these forest preserves on all sides of the city so that they will be conveniently accessible from any section. The County Board is also developing good roads connecting the forest preserves with each other and with the city.

*Ogden Avenue:* The Chicago Plan Commission, at its meeting December 12, 1916, adopted a resolution urging the City Council to direct the Board of Local Improvements to hold public hearings on the extension of Ogden Avenue, at a width of 108 feet, and a cost of \$4,649,000, for two and a half miles, from Union Park to Lincoln Park. The engineer of the Board of Local Improvements has just completed his survey of the area affected, preparatory to the holding of public hearings for this extension.

*Ashland Avenue:* The Plan Commission also adopted a resolution for the extension of North Ashland Avenue, at a width of 100 feet, and a cost of \$1,275,000, from Cortland Street to Clybourn Avenue. This is now before the Board of Local Improvements.



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*Western Avenue, Robey Street and South Ashland Avenue:* The Commission also authorized its officers and technical staff to complete their studies of the need for improving Western Avenue, Robey Street and South Ashland Avenue. This work is now under way.

*Collateral Projects:* Other collateral projects, such as zoning, housing, bridge construction, the straightening of the Chicago River, and other civic improvements are receiving attention and making normal progress.

(A motion that the report be accepted and placed on file was duly made, seconded and unanimously carried.)

PRESIDENT FORGAN: The next report is that of the Committee on Revision of Illinois Taxation Laws. Mr. B. A. Eckhart, Vice Chairman, will make that report.

MR. ECKHART: Your Committee on Revision of Illinois Taxation Laws reported at the last annual meeting that in co-operation with many other civic bodies and associations, after a struggle of many years, they have finally been successful in securing the adoption by the General Assembly of the Joint Resolution prepared by the Illinois Special Tax Commission providing for an Amendment to the Constitution in respect to the classification of personal property for purposes of taxation.

Your Committee also reported at that time that a great deal remained to be done in order to secure the approval of the Amendment by the electors of the State at the election in November, 1916.

Shortly after the last report was made to the Club at the annual meeting, your Committee took steps to inaugurate a state-wide campaign and bring about the concerted efforts of the various organizations interested in securing the adoption of the Tax Amendment to the Constitution, by organizing the "Tax Amendment Campaign Committee." This Committee was made up of about five hundred leading citizens, merchants, manufacturers, bankers, trade unions,



political organizations, and professional associations. It comprised the Chicago Association of Commerce, Chicago Real Estate Board, Cook County Real Estate Board, Northwest Side Commercial Association, Civic Federation of Chicago, Woodlawn Business Men's Association, Commercial Club, South Chicago Business Men's Association, Chicago Retail Druggists Association, Citizens Association, Illinois Taxpayers Alliance, Lake View Property Owners and Improvement Association, Building Managers Association, South Park Improvement Association, Industrial Club, Rogers Park Improvement Association, West Side Business Men's Association, Union League Club, Illinois Manufacturers Association, North Side Commercial Association, Bond Men's Club, Board of Trade, Chicago Bar Association, Architects Business Associations, Retail Coal Dealers Association, Iroquois Club, Hamilton Club, and many others.

The following officers of this General Committee were chosen to carry forward the work; Chairman, B. A. Eckhart, Vice Chairman, J. Lewis Cochran and Frank L. Shepard; Treasurer, Walter H. Wilson; Secretary, Douglas Sutherland.

Much preliminary work had been done by the Civic Federation of Chicago prior to the organization of the Committee. We secured the ready and cheerful co-operation in a vigorous campaign of the following state organizations; Illinois Farmers' Institute, Farmers' Grain Dealers' Association of Illinois, Illinois Live Stock Breeders' Association, Illinois Bankers Association, Illinois Manufacturers Association, Employers Association of Illinois, Real Estate Association of Illinois, Supervisors, County Commissioners and County and Probate Clerks' Associations of Illinois, County Treasurers' Association, Illinois Pharmaceutical Association and others.

The Illinois Tax Amendment Committee with from five



to a hundred active and influential members in each County of the State, under the chairmanship of Frank I. Mann, of Gilman, and the vice chairmanship of Judge S. B. Montgomery, of Quincy, afforded a splendid medium for effective work throughout the State. The work of this Committee was extremely effective. The value of having interested co-operators in each county to report and take care of local trouble, assist with literature, arrange meetings and stimulate newspaper interest, cannot be over-estimated.

Meetings were held and addressed, and organizations effected in practically every county in Illinois. When you recall that there are 102 counties in the State, you can form a slight estimate of what it means to organize the counties and conduct an active campaign with a view of educating and interesting the voters upon the subject of a Constitutional Amendment affecting the question of taxation.

A vast amount of literature was prepared, compiled, printed and distributed. Among other printed matter distributed there were 100,000 copies of an 80-page textbook entitled "Apace with Progress" and published by the Civic Federation. These books were sent to every educator, lawyer, clergyman, library, public official, physician, dentist, barber, druggist and general storekeeper, listed in Illinois. 50,000 smaller pamphlets were distributed by hand at the various meetings addressed. 200,000 of these pamphlets were sent to Republican and Democratic headquarters for distribution through the ward organizations. 100,000 pamphlets were sent to personal property taxpayers in Chicago. 1,500,000 inserts were distributed throughout the State by Commercial and Civic Organizations, and Business Houses. 1,500,000 inserts were distributed in small packages to two workers in each precinct in the State for use on election day. 510,000 postcards showing position of "Tax Amendment" proposition on



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the "little ballot" urging a vote "Yes" were sent to every registered male voter in the City of Chicago. Cards were tacked along every great thoroughfare and displayed at every elevated railway station. Through the courtesy of the President of the State Board of Agriculture booths were established in the Fair Grounds at Springfield and literature distributed to thousands of voters of this State.

### NEWSPAPER PUBLICITY

A meeting of the Newspaper Publishers of Chicago and Cook County was called by the Committee, at which were present representatives of all of the leading newspapers of Chicago, including all of the publishers and editors of the foreign language papers, who manifested great interest in the subject and supported the proposition with vigor through the entire campaign. The newspapers of the State and of the City of Chicago are entitled to the warmest thanks for their unselfish and efficient co-operation in the campaign of education.

The Committee's "newspaper plate service" was ordered by nearly 500 newspapers outside of Chicago. Five pages of reading matter were sent out during September and October and the final page to 860 newspapers.

### POLITICAL HELP

Political aid was invoked and responded with alacrity. All of the leading candidates for Governor, both before and after the primaries — Frank O. Lowden, Frank L. Smith and Morton D. Hull, Republicans; Edward F. Dunne and William B. Brinton, Democrats; Seymour Stedman, Socialist; and John R. Golden, Prohibitionist; endorsed the Amendment and spoke for it on the stump, as did most of the candidates for the other offices. Through the good offices of other prominent leaders of all parties and factions, notably Roger C. Sullivan, Carter H. Harrison, James M.



Dailey, Arthur W. Charles, Democrats; and Roy O. West, William Hale Thompson, F. E. Sterling, Lawrence Y. Sherman, Homer K. Galpin, Charles S. Deneen, and Edward J. Brundage, Republicans; unqualified endorsements were secured from both the Democratic and Republican State Conventions, and the active assistance of a worker representing each party at each precinct polling place on election day, was secured. Badges, literature, and moderate compensation for the active workers, were supplied by the Committee.

Your Committee also called a meeting of all of the candidates for state senators, members of the legislature, and county offices, and secured their pledges to support the amendment on the platform during the entire campaign. All of these men rendered splendid and effective service. Hundreds of meetings were called and addressed by able speakers throughout the city, county and state.

At the November 7th election the total number of men taking ballot for purposes of voting for all offices — National, State or local — in Illinois, is shown by the poll books to have been 1,343,381. The “Yes” vote on the adoption of the Amendment was 656,298. On this basis the Amendment would have failed to carry by 15,396 votes.

On the other hand, however, the greatest number of electors in all fifty-one senatorial districts in this State voting for members of the General Assembly, totaled 1,269,331. The total number of the “Yes” vote on the adoption of the Amendment being 656,298, the proposition carried by a majority of 21,632. We, therefore hold that the proposition was clearly carried.

We appeared before the State Canvassing Board after the Board had canvassed the vote, following the November election, and that body on December 9th declared that the Amendment, having received a majority of all those voting for members of the General Assembly, had been adopted.



It is contended, however, in some quarters, that the majority contemplated in the language of the Constitution providing for submission and adoption of constitutional amendments, requires a majority of all those shown by the poll book to have taken ballots at the general election regardless of whether they marked those ballots for national, state or local offices, or whether they returned them to the election judges blank and not voted for any official at all.

In order to avoid any doubt and any question of the stability of remedial tax legislation in the future, efforts are now being made to get this question before the State Supreme Court for final and authoritative decision at the earliest possible moment. The fact that the basis used by the Canvassing Board was in practical operation from 1818 to 1870 encourages belief that the decision will be favorable to our contention. In order to bring this Issue before the Supreme Court at the earliest moment it was necessary to bring action in the Circuit Court of Sangamon County. Judge Jones of the Sangamon County Court decided adversely to our contention. This, however, was not unexpected. The case will now be taken immediately to the Illinois Supreme Court for final decision.

The necessary and legitimate expenses for carrying on an active and vigorous state-wide campaign such as the Committee found it necessary to make in order to interest 1,500,000 men voters in Illinois at a general presidential election, with a ballot over four feet long containing over 150 names of candidates to be passed upon by the voter, and a very large "Little Ballot" upon which there were five separate propositions to be voted upon, was quite a serious problem. Fortunately, the Committee succeeded in persuading Mr. Walter H. Wilson to accept the Chairmanship of the Finance Committee. His acceptance of the onerous burden at once dispelled all doubt as to what the result would be. Mr. Wilson's persevering and indefatig-



able work resulted in raising ample funds with which to defray the legitimate campaign expenses. Mr. Wilson is entitled to the hearty thanks of the Committee, this Club, and this community.

The officers of the Committee must also call attention and express deep gratitude for the splendid services rendered by Mr. Harrison B. Riley in the preparation of the case in connection with the submission of the question to the Supreme Court for final adjudication.

Too much praise cannot be bestowed upon the Secretary of the Committee, Mr. Douglas Sutherland, for his intelligent, painstaking, energetic, and persevering efforts in behalf of the Amendment, and much of the success of the work of the Committee is due to his fidelity and loyalty to the work of the Committee.

If the final decision of the Supreme Court should be favorable — as we confidently believe it will — it will then devolve upon the General Committee to appeal to the Governor of the State to call a special session of the Legislature to enact a just and equitable statute providing for the classification of personal property for purposes of taxation and to deal effectively and intelligently with the problems of unjust and unequal distribution of tax burdens.

MR. HOMER A. STILLWELL: Mr. President, I move the adoption of that report, and I want to say the Chairman has been good enough to give everybody credit for their work, and I believe he ought to have some of the credit, and in moving the adoption of the report I want to move that a vote of thanks be given to the Chairman for the vast amount of work accomplished.

MR. EDGAR A. BANCROFT: I wish to second the motion, and if I can say a word, I would like to say that I regard that campaign as one of the most notable things that has been done in the last ten years with respect to important legislation of general application. I speak with perfect



freedom because I had no connection with the campaign in any way. I think anyone who has had even the slightest acquaintance with the difficulty attending immediate legislation on any subject affecting revenue, anyone who is familiar with the many efforts that have been made to remove the unworkable and impracticable character of our revenue laws that have been going on legitimately for over thirty years in the State of Illinois will realize what a very great advance this is. I think the gentlemen who had to do with it are entitled to the very grateful and hearty thanks of this Club and the community and the State of Illinois.

PRESIDENT FORGAN: Gentlemen, you have heard the motion that the report be accepted and placed on file and that the thanks of the Club be extended to Mr. Eckhart, the vice Chairman of the Committee, for his services and hard work in connection with it.

MR. BANCROFT: If I may suggest, I would move that that motion instead of being received and placed on file, that it be approved, that we approve the statements of the report.

PRESIDENT FORGAN: Mr. Stillwell, do you accept the amendment?

MR. STILLWELL: Yes, sir.

PRESIDENT FORGAN: That the report be approved?

MR. STILLWELL: Yes, sir, I accept it.

(The motion was unanimously carried.)

PRESIDENT FORGAN: The thanks of the Club are tendered to Mr. Eckhart for his services.

MR. ECKHART: And the Committee.

PRESIDENT FORGAN: And the Committee.

The next report is that of the Committee on State Budget and Efficiency. Mr. Homer A Stillwell, the Acting Chairman of this Committee, will make the report.

MR. STILLWELL: As a result of the presentation of the subject before the Club by Mr. Medill McCormick, Novem-



ber 13, 1915, your committee was appointed, charged with the duty of forwarding in whatever manner possible the work of securing legislation consolidating our many state instruments of government. The committee very early presented the subject to the Association of Commerce for the purpose of enlisting its co-operation. That body promptly and enthusiastically accepted the invitation to join us and appointed a strong committee which effectively co-operated with your committee throughout the entire period in which the subject was under consideration.

The committee appointed thoroughly considered the proposed programs of administrative control and the methods to be used in securing legislation favorable to such programs. While these conversations were in progress, the issues involved were crystalized and somewhat refined in the Government campaign last fall for the primary and for the election. One of the prominent planks in the campaign platform of the successful candidate, Governor Frank O. Lowden, was a proposed consolidation of and a new civil administrative code for the various State agencies under the direction of the Governor.

Naturally the committee awaited the announcement of the results of the polls with much interest. As the vote was announced, it was apparent that much of the educational work for which the committee had been organized had been accomplished. There remained, however, some work yet to be done in Springfield. At the suggestion of Mr. Medill McCormick and with the consent and full co-operation of Governor Lowden your Committee secured the services of Doctor F. A. Cleveland.

The members of the Club know Doctor Cleveland, Director of the Bureau of Municipal Research, New York City, through the address to the Club delivered by him in March last year. Doctor Cleveland's work in Springfield was of great assistance to the Governor in securing the



measure for the consolidation of State agencies known as the Consolidation Bill, passed by the Fiftieth General Assembly, March 1, 1917.

This Act, which becomes a law July 1, 1917, creates nine departments of the State Government as follows:

Department of Finance.

Department of Agriculture.

Department of Labor.

Department of Mines and Minerals.

Department of Public Works and Buildings.

Department of Public Welfare (which is to be headed by our fellow club member, Mr. Chas. H. Thorne.)

Department of Public Health.

Department of Trade and Commerce.

Department of Registration and Education.

Each of these departments shall have a head who is to be known as a Director, fully empowered to discharge the duties vested in his department. In addition to a full corps of officers for each department, eleven advisory and non-executive boards are authorized to facilitate the work of the following departments: Agriculture, Labor, Public Works, Public Welfare, Public Health and Registration and Education. These advisory boards serve without pay.

The Act abolishes one hundred and thirty-one boards, officers and types of employes which heretofore made our State Administration difficult and slow, and were maintained only at an exorbitant expense to the taxpayers. The net saving in money resulting from the consolidation is certain to be very large.

In securing the services of Doctor Cleveland, the Commercial Club and the Association of Commerce each pledged a sum not to exceed \$2,500. Of the amount appropriated by the Club, \$1,608.69 has been spent.

Much of the credit for the aid that has been given to Governor Lowden in securing the passing of the Bill is due



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to the unstinted energy of Mr. Medill McCormick and to the Association of Commerce Committee headed by Mr. Lynde, on which much of the detail work devolved.

Respectfully submitted,

HOWARD ELTING

JOHN G. SHEDD

D. R. FORGAN

BERNARD A. ECKHART

HARRY A. WHEELER

HOMER A. STILLWELL

RICHARD C. HALL

(A motion that the report be adopted was duly made.)

MR. STILLWELL: May I say, if that motion is seconded, that I feel on behalf of the Committee that the work for which this Committee had been appointed has been fairly accomplished and, therefore, I take it upon myself to recommend that the Committee be discharged. I have not consulted the Committee on that, but I want to recommend to the Club that the Committee has performed its work.

PRESIDENT FORGAN: Do I hear a motion on that?

(A motion that the report be adopted and the Committee discharged was duly made, seconded and unanimously carried.)

PRESIDENT FORGAN: The next report is that of the Committee on National Defense. Mr. Harrison B. Riley will furnish that report.

MR. RILEY: Mr. President and Gentlemen: Your Committee, appointed in April, 1916, organized at once and proceeded to study the needs of the military and naval branches of our government.

It received the aid and advice of gentlemen familiar with the technical requirements of the situation as well as of those who, like your committee, lacked the necessary education to determine the necessary steps to be taken but who were convinced that the subject should be discussed from the point of view of the citizen in order to stimulate activity on the part of the government.



The Committee arranged for a number of meetings of the Club at which satisfactory speakers were presented and took such steps to obtain due publicity as seemed wise.

The Committee, in association with other organizations in Chicago and elsewhere, took an active part in promoting the great preparedness parade of last June as an expression of the feeling of the citizens that the government must give adequate attention to the subject matter and as an assurance that steps taken would receive popular support.

The result of this parade in this and other cities was immediately apparent. The subject of military preparedness became a live matter, both in Congress and in the country.

It was considered wise by your Committee to further discussion of the volunteer system of developing personnel for the army and navy, as well as different forms of conscription.

It early became convinced that the volunteer system had no place in our country, and in association with other organizations, has done a large amount of educational work. It has also taken the position that half measures are dangerous and has opposed trifling with this serious subject for the benefit of special interests.

Plans for military service or training which have sought to limit the military power of the state and the nation so that the same cannot be used in all emergencies or in offensive as well as defensive warfare have been considered to be dangerous to the safety of the nation and have been resisted.

Without professing the ability to pass authoritatively upon any plan depending upon special military training and knowledge, it seemed to your committee that the following conclusions demand the support of all good citizens of the country:



1st. The total abolition of the volunteer system.

2nd. The support and efficient maintenance of the National Guard as a general reserve for all military purposes unless and until all of the duties of the National Guard become vested in a National Army.

3rd. The establishment of conscription as a national policy both for the National Army and Navy and the National Guard and Naval Militia.

4th. That such conscription should be responsive to the needs of the government in the character, capacity and number of men required from time to time by the government under the terms of a selective conscription act.

5th. That any striving for an impossible equality of the military burden is a weakness and not a matter of strength in any plan of compulsory military and naval service and that the selection of the personnel of the army and navy must be made from the point of view of the military authorities, irrespective of the inequalities which may be produced amongst individuals to the end that the government may mobilize the industrial as well as the military power of the nation.

6th. That the citizens of the country are entitled to be assured that any plan of compulsory Military and Naval Service formulated by the Military and Naval authorities is not and will not be modified by the political departments of the government for any political exigencies.

7th. That it is absolutely necessary for the protection of the lives and health of the American boys who will constitute our Military and Naval Forces, that officers be chosen for skill and merit in their respective professions and that the country thoroughly discountenance any attempt to restore the former system whereby officers were chosen through political or personal considerations unconnected with any proven ability in the naval and military services.



8th. The commanding fact of war with the most powerful military combination of a century must, necessarily, enlist the interest and support of the Club during the existence of the emergency.

Sporadic efforts of individual organizations in support of diverse military and naval organizations will, in the judgment of your committee, fail to produce results at all adequate to the situation and, therefore, should be discouraged.

When the government shall have announced its program and called upon its citizens for aid and service this Club, in co-operation with other organizations in the city, should stand ready and willing to perform its part and make due sacrifices in time and money in support of the governmental plans.

Respectfully submitted,

EUGENE J. BUFFINGTON,

SAMUEL INSULL

H. H. PORTER,

JOHN T. PIRIE

HARRISON B. RILEY.

PRESIDENT FORGAN: Mr. John V. Farwell will now submit the report of the First State Pawnors Society.

MR. FARWELL: In making the report to the Commercial Club, I can perhaps do no better than to quote, in part, from the report made by the Directors to the Stockholders, as follows:

“The report made to the Stockholders shows about the same percentage made on our capital as we have made in previous years. It is interesting to note that the total business of the Society in loans and redemptions, since the beginning, has amounted to the large total of \$31,011,690, and that our losses have been nothing, because the deficits at the auction sales have been more than made up by the surplus remaining after the expiration of the two years required for its being held.”

The Directors decided last summer to enter upon the experiment of starting a branch of the Society on the West Side. They finally selected the location at 39 South Halsted



Street. This branch has been open since the first of September, and has been gaining in business nearly every week. It is not expected that this will pay its way for the first year, and perhaps it may not be worthy of continuance. As the New York institution, the Provident Loan Society, has a great many branches in New York it seemed as though we ought to try the experiment in Chicago, especially as we had put ourselves into a financial condition where a small loss would make no practical difference in our earnings, both the earnings and surplus being so large that there is no possibility of dividends being reduced.

This Branch has now been running since the first of September, and we have outstanding loans of approximately \$16,000. In order to pay expenses, we shall have to have an average of between \$40,000 and \$50,000 loans outstanding. This year we shall probably lose between \$3000 and \$4000 and we have come to realize that it might take three years to demonstrate whether branch institutions would be profitable in a city like Chicago. Even if it makes no money, we believe it will meet a need in that section of the city.

The net profit for last year was \$94,636.43, as compared with \$91,272.98 the previous year.

The capital is now \$800,000; and the surplus and undivided profits, September 30th was \$441,000; and on March 31, 1917, \$453,000.

The business of the Society is now running about even with last year, and we look for about the same results.

JOHN V. FARWELL, *President*.

By order Board of Directors:

EDGAR A. BANCROFT

EDWARD B. BUTLER

THOMAS E. DONNELLEY

DAVID R. FORGAN

JOHN V. FARWELL

FRANK H. JONES

ROLLIN A. KEYES

JOHN W. SCOTT

JOHN G. SHEDD



## THIRTY-NINTH ANNUAL MEETING

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(A motion that the report be accepted and placed on file was duly made, seconded and unanimously carried.)

**PRESIDENT FORGAN:** Mr. Thomas E. Donnelley, Vice President of the Club, will now make a report on the Reorganization of the Municipal Government of Chicago.

**MR. DONNELLEY:** Mr. President and Gentlemen: During the fall of 1916, the Chicago Bureau of Public Efficiency published a report on the unification of local governments in Chicago. The report was sent to each member of the Club. This report showed by graphic chart the multiplicity of governing and taxing bodies in Cook County and another chart showed a comprehensive plan of combining the governments of the County, City, Sanitary District, Park Boards and all other municipalities.

One of the features of this scheme was that the voters would only vote once in four years for one representative to the city government. In order that this remarkable report should not die with its publication, the President of the Union League Club asked, in January, eight other organizations to send representatives to a meeting at which ways and means should be discussed of putting these recommendations into effect. The organizations invited to participate besides the Union League Club, were the Commercial Club, Industrial Club, the City Club, Chicago Bar Association, Chicago Association of Commerce, Citizens Association, Chicago Real Estate Board and the Cook County Real Estate Board.

As a result of this meeting, it was decided to form a joint conference committee, to which each one of the above organizations would send one representative, and this conference committee has held, during the last three months, six meetings. It was realized that the comprehensive changes recommended by the Chicago Bureau of Public Efficiency could not be made without constitutional changes in our basic law pertaining to the city and county,



limitation of bonded indebtedness and the judiciary, and the Committee determined that they would confine their efforts to changing the form of the present city governments, which could be done by legislative act.

To this purpose, the Chicago Bureau of Public Efficiency prepared a bill to be presented at Springfield, the principal features of which were the re-districting of the city into wards of approximately equal population (some of the river wards now contain only one-third of the population of the larger wards); the election of only one alderman from a ward for a four-year term; the election of the mayor, comptroller and city clerk by the aldermen and the appointment of all other officials by the mayor; the salary of the aldermen not to be over \$4,000.00 and their election to be subject to recall. Concerning the details of this bill, there were as many minds as there were committeemen. Some recommended that the aldermen should not be more than nine, but others held out for thirty-five; some that the aldermen should be virtually executive officers and should be paid a salary of \$10,000.00 a year and others that the aldermen should be nothing more than a Board of Directors to select the mayor, pass upon the general policies and receive only a director's fee for services. Some thought the aldermen should be elected each one from a ward; others thought such an election would not assure the city the quality of aldermen desired and that the election should be at large. With one exception, it was agreed that the mayor should be selected by the aldermen, but the one objector made the point that the mayor at the present time was an independent curb upon the board of aldermen and it was unsafe to put the full responsibility upon the aldermen without this check. The question of the recall was not discussed.

It was the desire of some of the representatives that a bill should be introduced at Springfield during this legislature, as otherwise any change in the form of the city



government could not take effect for six years, because, before the next legislature met, a new mayor would be elected for a four-year term. Also, others thought the introduction of such a bill at Springfield, even if without a chance of passing would awaken public interest and could create a demand for a similar law at the next session. The question of introducing such a bill was finally referred back to the various organizations. The Executive Committee of the Commercial Club passed a resolution endorsing in principle, but not in detail, the bill, but advising that the bill should not be introduced at this legislature on account of the shortness of time and because the public had not been sufficiently enlightened upon the subject. This recommendation finally was adopted by the joint committee.

The Joint Committee, however, feels that this matter should not be dropped. It has been pretty well proven that the old line organization of municipal government in this country is a failure, and that little hope for efficiency and economy in municipal affairs can be gained through it. The recent experiments in the commission form of government and especially the business manager plan, have given great promise. The City of Dayton, Ohio, has been managed under the business manager plan since their great flood. This city, without increasing its taxes, has been able to increase its public service and has begun paying off its floating indebtedness. This is in direct contrast with all the other cities of Ohio, which find great difficulty in living within the constitutional limits of taxation.

The Joint Committee hopes that the question will continue to be the subject of study and agitation, and in order that this may be accomplished, has adjourned to meet the third week in September. It has been suggested that the various organizations appoint, instead of one representative, two or three, and that this larger body work out



a practical plan, acceptable to all, and that this plan then be the subject of propaganda among the citizens of Chicago.

Respectfully submitted,

THOMAS E. DONNELLEY.

PRESIDENT FORGAN: Gentlemen, you have heard the report, what is your pleasure?

MR. McCORMICK: Mr. Chairman, of all of the bodies which have been asked to participate in that, I noticed they have not asked any members of the legislature. They have got a proposition where it is very easy to meet together and outline an ideal plan. But when you go to the legislature you are meeting with a lot of men who have not heard of it, have not considered it and have not been brought into consultation. It is absolutely new matter and it carries no weight or effect. I have had to tell organizations like the Commercial Club and the Association of Commerce that they do not have the same weight in those bodies as they have among themselves, the weight to which they are entitled. But when you deal with these political questions you have got to deal with the facts, and when you go to the legislature it seems to me the policy would be to take in members of the city of Chicago who are in the legislature and in the senate, to talk to them and see what the serious obstacles are.

When you are going to attempt to reduce the Council you are going to meet with very great opposition from the aldermen themselves. Whether you think so or not, they think they are a very important part of this city government. I think progress would be made if you were to ask some of the aldermen and possibly some of the legislators to sit in with these conferences and get the practical side, the political side, if you please, as to what the problems would be.

You can talk about your ideal government and you can talk about your changes of machinery in government,



but you have got to face this fact in the city of Chicago, that the Mayor has as much power now as any business manager in any city. He can give you an ideal administration if he will; if he will appoint heads of various departments, not for political reasons, but for business reasons.

You gentlemen know in conducting your affairs as merchants or bankers that if the man at the head of the institution is right you can make the institution go and it will be profitable. If you put an incompetent man at the head, you can have all the rules and regulations you please and you cannot run it.

After all, it comes down to the question of the man and how you will get the man. Take a chauffeur, a good chauffeur, and put him in a poor machine and he will get good results. Take a poor chauffeur and put him in a poor machine and he will wreck it.

I think Governor Lowden touched upon it in his address very aptly when he stated that we simply resolved, passed resolutions and laws and after they were passed we stepped down perfectly satisfied, thinking the things were accomplished. They are not. You have got to have a man to conduct your affairs. You can draw up your ideal conditions, but any man who comes in touch with political bodies knows that when you come in contact with them you meet political conditions. They are different altogether from meetings and boards of this kind. I would suggest that these bodies take in men like Speaker Shanahan, for instance, take in some legislators of the city of Chicago and Senators, and then work out your plan.

MR. DONNELLEY: I will say that as these meetings progressed it became very evident to two or three representatives on this Joint Committee that this was altogether too much of a star chamber proceeding, and it was of no interest outside, and that was the particular reason why we blocked any scheme of sending the bill down there now,



thinking it would be much better to wait till we could get both the political influence at work and also the propaganda throughout the city before we attempted to send anything down to the legislature.

I think everything Mr. McCormick said about the political handling of this thing is true. I do think, however, that there is a lot to say about how the mayor should be selected.

PRESIDENT FORGAN: Gentlemen, what shall we do with the report?

MR. THORNE: I move it be approved and the Committee continued.

MR. DONNELLEY: I suggest that the Committee be discharged.

MR. THORNE: And a new committee appointed?

MR. DONNELLEY: Yes, a new committee appointed.

(The motion was seconded and unanimously carried.)

PRESIDENT FORGAN: The next order of business is the report of the Nominating Committee.

SECRETARY COWLES: The report of the Nominating Committee is as follows:

The Committee appointed to nominate officers for the Commercial Club for the ensuing year, respectfully submit the following report:

For President, Harrison B. Riley,

For Vice-President, Louis A. Ferguson,

For Secretary, Alfred Cowles,

For Treasurer, Homer A. Stillwell.

For Members of the Executive Committee:

Edgar A. Bancroft, one year,

Charles H. Markham, two years,

Donald R. McLennan, two years.

For Chairman of the Reception Committee:

Albert A. Sprague, II



For Members of the Reception Committee:

Clarence S. Pellet,  
John T. Pirie,  
James Simpson,  
Soloman A. Smith.

Yours truly,

B. E. SUNNY, *Chairman*,  
ROLLIN A. KEYES,  
BERNARD A. ECKHART,  
THEODORE W. ROBINSON,  
JAMES O. HEYWORTH.

PRESIDENT FORGAN: Gentlemen, what is your pleasure?

MR. JOHN W. SCOTT: I move the secretary be instructed to cast a ballot for the men as nominated for their respective offices.

(The motion was seconded.)

PRESIDENT FORGAN: It is moved and seconded that the secretary cast the unanimous ballot of the Club for the names selected by the Nominating Committee.

(The motion was unanimously carried.)

PRESIDENT FORGAN: I had the intimation from the gentlemen who live in Evanston that they wanted to get home on the ten o'clock train and I think we can just about accomplish it, unless there is some other business. If there is not any other business to be brought before the meeting a motion to adjourn will be in order.

MR. HOWARD ELTING: I rise with considerable reluctance at this time to make, perhaps, an extemporaneous talk, but it has been accentuated of late that each one of us is to be called on to do some specific service for the country.

It has been called to my attention that there has been an organization in Chicago organized, I think, primarily by Mr. Donald Ryerson, called the "Four Minute Men."

It was proposed by that organization in some way to



bring to the attention of the people certain specific things for the good of the country. Men were to be called upon to speak before moving picture theaters for four minutes. The speeches would be censored by the government at Washington, and this organization has been approved by the Secretary of War, Secretary of State, Secretary of the Navy, and by Mr. Creel, who is publicity manager for the National Defense Committee. This organization is always looking for an opportunity of doing a public service. I speak of this tonight for the reason that I mentioned the matter at the table. It came to my attention just yesterday afternoon at five o'clock, and I was asked if I would take part in that organization.

It is proposed to have that organization aided by a Committee from the City of Chicago. It will immediately organize at every city in the United States like organizations, elect vice-presidents, chairmen, or vice-chairmen, and then immediately set about to have slides prepared for the moving picture theaters, have speeches prepared and endeavor to wake up the country to the necessity of doing certain specific things as asked for by the government.

If it related to taking care of business and seeing that business was carried on, that would be done. If the food production was to be taken care of, that would be done. But everything that would be done would be censored by the government, in order that the speeches would be standardized and everything would move along in a systematic and well organized way. So it has occurred to me tonight that this question might be brought to the attention of this organization. In the first place I presume it will take a considerable amount of money to do this thing. It depends on the men who are back of it as to the extent of the good that is to be accomplished.

Now, we are proud of the work that is being done by



Mr. Rosenwald. We are proud of the work Mr. Sprague is doing in the Red Cross. We were proud last night when Mr. Bancroft represented us so well at the meeting at the Auditorium. I feel that every man here wants to do his part; no doubt is doing it. But that this particular work will be done by men who will not be called on, at any rate for sometime to come. It will be men over forty years of age, men who can write copy, if necessary, or suggest moving picture slides, or who can go out and talk in some way before moving picture theaters.

It will take some money and I believe it would be well to have an idea from this club at this time whether or not they will back up an organization of this kind, whether they will go into the matter and see if some good can come out of it.

I have only thought of it since five o'clock last night when it was brought to my attention. I have thought that perhaps the slides would be sufficient. The average man cannot say very much in a five minute talk. Of course, there are some men who can do that, who can say a great deal in five minutes. And we have men here like Mr. Bancroft, who cannot only go out and talk, but who can write copy. We feel strongly of course, about the situation. There are a great many men in this city and in other cities and all over the country perhaps, who are apathetic, who do not appreciate we are in a real war, and those men need an education. I bring this subject up in order that you might discuss it in some way, or take it home and discuss it and then bring back to this club some concrete recommendations to the members.

(A motion that the matter be referred to the executive committee, was duly made, seconded and unanimously carried.)

MR. McCORMICK: If it is not taking too much time, I would like to ask for a committee on City Finance. The



City of Chicago is in a very desperate condition financially. We have been going backwards for four or five years. We are at a point now where our expenditures are really in excess of our revenues. We are having demands made upon us every day, and there have got to be some steps taken. There should be some assistance given and some back bone put into the council, that is, if you want to take the necessary steps to do it.

I do not want to elaborate on it now, because I do not want to stop the gentlemen from catching their train. But we have a situation where several years ago we might have a little capital to work on. The council has each year expended a little more of it, so now it is all gone. We are now depending on the actual revenue received. If the reports are true, the saloon licenses are going to amount to less this year than last year and the expenses of the City are gradually increasing.

For instance, yesterday the Commissioner of Health asked for \$30,000 for the contagious disease hospital. Some of the aldermen very glibly made the motion that the amount should be expended, until we found we had no funds with which to pay them.

It is very easy for the City of Chicago at a time of this kind, when the eyes of the nation are taken up with other matters, to incur debts of various forms, so before long, we will probably have another bond issue to make up the revenue. I would like to recommend to the executive Committee for its consideration that it have a Committee that at least could be called upon to advise with the Finance Committee of the City Council, to advise upon matters of that kind. I think it would be good for the City and good for the Council.

I would like to make that motion.

MR. ECKHART: Did you make a motion to refer the matter to the Executive Committee, is that the motion?



MR. McCORMICK: I thought it would be better. That was my motion.

(The motion was seconded and unanimously carried.)

PRESIDENT FORGAN: The train has gone now, anyway. There was a matter that I intended to bring before the Club if there seemed to be time for it. Mr. Farwell has been down in Washington in touch with what is going on there in connection with the proposed taxation to raise funds to carry on the war. If the Club would like to get some information on that subject, I think that Mr. Farwell is in a position to give it to us.

MR. JOHN V. FARWELL: Mr. President and Gentlemen: This afternoon Mr. Cowles spoke to me about this matter and I told him if there was time and the Club seemed to wish to hear anything on the subject, I could give them a few words in regard to the work of this Committee at Washington. It will be rather a cursory lot of remarks because I have not prepared anything, except the report which our Committee made.

This Committee perhaps you may not know, was appointed by the Chamber of Commerce of the United States, and consisted of twelve men from different parts of the country, from Los Angeles to Boston. Mr. Edmund D. Hulbert of the Merchants Loan & Trust Company was the other representative from Chicago.

We had a meeting of two days in Chicago and five days in Washington altogether on this subject. When we first got to Washington we had an appointment with the Secretary of the Treasury, and there in that conference had him state to us the needs of the government in conducting this war from a financial standpoint, and he heard from some of the members of the Committee in a general way.

His statement, which he had just at that time sent to the Ways and Means Committee of Congress, was that it



would cost about three billion six hundred millions extra money to conduct the war for the first year. If I stumble a little on the billions, please excuse me, because I am not accustomed to speak in those terms.

But his proposition, as submitted to the Committee and to the Ways and Means Committee at that time was that one-half of this should be raised by bonds, and one-half by taxation. That would be one billion, eight hundred million in one way, and one billion eight hundred million in the other way.

For that purpose he submitted a schedule which footed one billion eight hundred millions, covering twenty-six different items. I won't go into the details of those, because perhaps you have seen them. But our committee in our conferences went over these matters very carefully and finally came to the general conclusion that they could just as well issue two billions of bonds as one billion eight hundred million, which would leave one billion six hundred millions to be raised by taxation. And since that time, they, apparently have decided on that course. Our committee recommended in its report to that effect that two billions be raised by bonds, and one billion six hundred million by taxation.

In the secretary's report, in order to make up the one billion eight hundred millions he included two retroactive taxes, one on the income tax on individuals 50 per cent of the tax paid last year, to be paid again this year, and the other that of the excess profits tax already passed in March, to be paid in 1918, but which should be anticipated and paid in 1917, although it was not passed for that purpose originally.

Those two taxes together of retroactive taxes amounted to four hundred million dollars. Our committee struck out those two taxes as being bad in principle and unwise from every point of view. And after a conference with the Ways and Means Committee on the subject we were



pretty well assured they felt the same way, and we understand since that time that they have been practically dropped by the Ways and Means Committee and people of influence in Washington. However, if you deduct four hundred million from one billion eight hundred million it leaves one billion four hundred million.

He also included in the list of items, taxes on articles now admitted free of duty, two hundred and six millions. Our Committee felt that if there should be introduced in Congress any discussion of protection that there would be no end to the discussion and they would not get anywhere. For that reason we recommended that all things which had to do with protection be left out at this particular time, and after looking over the different items which came under this head it was evident that instead of being able to raise two hundred and six millions, they could not raise more than half of that amount on items which have not anything to do with protection, such as coffee and tea, and such things as that.

So we reduced that one hundred millions instead of two hundred millions. That cut off another one hundred millions, and brought us down to one billion three hundred millions. So in order to get the amount up to one billion six hundred millions, we had to find three hundred millions more to put in in some way, if that was the amount to get from taxation. In order to do this the Committee divided their budget into the following items:

|   |                        |
|---|------------------------|
| Increased income tax on individuals, for the year 1917.....                     | \$400,000,000          |
| Increase of excess-profits tax, for the year 1917.....                          | 200,000,000            |
| Increase of 50 per cent in first-class postage rates.....                       | 100,000,000            |
| Stamp taxes.....  | 250,000,000            |
| Increased customs duties, as far as possible of a purely revenue character..... | 100,000,000            |
| Excise taxes.....   | 550,000,000            |
| Total.....  | <u>\$1,600,000,000</u> |



That made one billion six hundred millions. The three hundred millions that I referred to just now was made up by increasing the income tax from three hundred and forty millions, as was contemplated, to four hundred millions.

Most of this came by reduction of the exemption. The exemption which the Secretary recommended was two thousand dollars for married men, or heads of families, and fifteen hundred dollars for unmarried men. The contention of our committee was that \$500 was not enough difference between a married man and an unmarried man, that if two thousand dollars was right for the married man with a family, fifteen hundred dollars was too high for an unmarried man; therefore, we, in our recommendation, reduced the exemption for an unmarried man to twelve hundred dollars. That brought in the exemption all along the line for everybody and increased the tax on incomes.

The excess profits tax did not vary from the amount recommended by the secretary.

The stamp taxes we left practically the same, but included a tax on first class postal rates of 50 per cent, which from the estimates we got from the Post Office Department would probably bring one hundred million dollars.

One reason for having this tax was that it required no additional machinery to collect the tax. It could be done without any extra expense, whereas nearly all these other taxes required a good deal of expense and organization of a good force of machinery to collect them.

Some members of the Committee, including myself, were also in favor of including second class postal rates in the increase but that did not carry with the whole committee, therefore, it was not put in it. The Assistant Post Master General told a subcommittee, consisting of myself and another gentlemen from Indianapolis that the government was now losing eighty-eight million dollars annually on the second class postal matter, and that it seemed rea-



sonable to suppose that Congress should bring that back to at least an even basis, if they were going to increase the first class postal rates, and a good many of us have been doing what we can as individuals to get that included in the recommendation of the Ways and Means Committee. And we found in a meeting with a subcommittee of the Ways and Means Committee that there was a very strong element in that Committee which wanted an increase in the second class postal rates.

The balance of about fifty or sixty millions we lumped in the excise taxes that made up the three hundred millions I referred to, which we found we ought to get to make the total amount of one billion six hundred millions.

We could not go into the details of these excise taxes. In a report of this kind to the Chambers of Commerce of the United States it was impossible to go into a great deal of detail. We had to submit, according to their rules, a kind of proposition which could be voted on by yes or no, and you can see that we could not submit fifty or sixty different articles to vote on. The chances are a good many people would vote against taxing articles they were interested in. And so they lumped in one amount the excise taxes and left it to Congress to determine upon which articles it should be placed.

That was the general scheme of the plan and it is now being voted upon by the different Chambers of Commerce throughout the United States.

Also I might add we made it very strong in the report, and also before the Committee and before the Secretary that these extra taxes should be war taxes only and should be made for the duration of the war; that when the war was over they should practically automatically cease and Congress be obliged to take some action to keep them in existence if it was necessary; but they should not be regarded in principle as regular sources of taxation.



This is especially true of the excess profits tax; that in principle we agreed should be a war measure only. It could be justified on no other basis. But as perhaps that has induced as much discussion as any other tax, I might refer to that just for a minute and say we all felt that we must find some way of producing this amount of money with the least possible disturbance to business. That is an easy thing to say, and it is a very difficult thing, perhaps, to accomplish, just where the line to be drawn is.

But this general proposition seems evident; that when dividends have been distributed by a corporation, the corporation virtually says they do not need that money in that business and the taxation on the distributed dividends will not in any way interfere with the progress of the business. If, however, the government attempts to take from the business money which is ordinarily retained in this business, then you commence to some extent to disturb that business. That particular kind of tax has to be approached with the greatest care.

For that reason we introduced a sliding scale of excess profits tax.

### EXCESS PROFITS TAX FOR 1917 *(Collectible in June, 1918)*

The existing law allows an exemption of \$5,000 and 8 per cent on invested capital and levies a tax of 8 per cent on the remainder of the profits of corporations and partnerships. If this tax, allowing the same exemptions, were increased to the following rates:—

10% on profits in excess of 8% and not over 15% of capital invested.

15% on profits in excess of 15% and not over 25% of capital invested.

20% on profits in excess of 25% and not over 50% of capital invested.

25% on profits in excess of 50% of capital invested, this law, it is estimated, would yield \$425,000,000 or \$200,000,000 more than the estimated revenue from the present rate.



Perhaps you know in England the basis there has been 60 per cent of the profits in excess of any two years of the three years preceding the war, the taxpayer selecting two out of the three and averaging those two.

The Canadian system is the system that our Committee has recommended, only they have 7 per cent as their basis, instead of 8 per cent.

The English system was discussed by our Committee, but it seemed as long as we had had the two years of partly being in the war, that is, being affected by the war on the other side, that we did not have the same basis for a tax that the English had had, and it might work very great inequalities with a great many corporations, some who had been affected favorably and some who had been affected unfavorably by the war and for that reason we thought it best to not take the English system but to recommend the other plan which I have just outlined.

Of course, the difficulty in this is to determine what is meant by capital invested. That is the foundation upon which the whole thing rests. Unless you get some proper interpretation of that, your structure will more or less fall.

But in discussions with the Committee, it seemed perhaps to us, at least, that three-fourths of the corporations in the country are such that the capital invested can be ascertained. On the other 25 per cent or so it might be necessary to have some local commissions appointed in order to ascertain what the capital is in order to settle the discussion or division of opinion between the corporation and the assessing officer.

Of course, there will be trouble in arriving at the proper amount to be taxed, but that seemed to us to be the least objectionable of all of the different taxes. But we realized that we were in the greatest war of all history. We all knew that and we have to approach this question of taxes and bonds in a large way. Every business man I talked to



in Chicago before I went down seemed to feel that business would be more than willing to pay their share of taxation, and the other members of the Committee reported the same thing from their districts, and so far as I could make out it was a question of taxing the business of the country in such a way as not to disturb it.

MR. WETMORE: What is that part in the report which gives a comparison of the increased tax in the United States as compared to England?

MR. FARWELL: What paragraph was that?

MR. WETMORE: I believe that it is in the preamble of the report, which compares the increase in taxes in the United States with England.

MR. FARWELL: The one in the addendum, I think you refer to; some taxes imposed now in England. I might say that the excess profits tax is 60 per cent and now they are going to raise it to 75 or 80 per cent.

Coffee is 10 cents in England and 5 cents here.

Of course, I could talk on this for a long time if I got started. I don't know exactly what you refer to, Mr. Wetmore.

MR. WETMORE: I will show you.

MR. FARWELL: The part which Mr. Wetmore refers to is this:

“Federal taxes already levied by existing laws will take something like \$1,300,000,000 in the next twelve months. The course of federal taxation in recent years is apparent from the fact that in 1914 customs duties yielded \$292,000,000 and internal revenue taxes produced \$380,000,000 whereas in 1918 customs duties are estimated to yield \$230,000,000 and internal revenue taxes already provided by law something in excess of \$1,000,000,000. In other words, while England in the midst of war was increasing her revenues through taxation from \$800,000,000 to something in excess of \$2,500,000,000, or about 350 per cent, our federal government, which was not at war, was increasing its taxation by approximately 200 per cent.



English procedure is not necessarily a fair precedent. France and Russia have not in all ways followed England's policy of taxation. Canada is apparently raising only \$50,000,000 from taxation this year in meeting a war expenditure of about \$300,000,000. Moreover, England has many problems which do not confront the United States; for example, while importing vast quantities of supplies for which payment must be made abroad England has had in large measure to finance her allies.

Comparison of our federal taxation with English taxation is not complete, since our double form of government,—national and state,—results in a double set of taxes. (In England there are additional local taxes, raising about \$800,000,000, but none corresponding to our state taxes.) In 1913, according to the Bureau of the Census, our states raised revenues of \$367,000,000, counties \$370,000,000, and incorporated places having a population of 2,500 and more \$1,108,000,000,—an aggregate of \$1,845,000,000 which was additional to federal taxes. Accordingly, it can be assumed that taxes which are levied under existing law by federal, state, and local governments will aggregate in the next twelve months something like \$3,250,000,000. This figure is to be considered in connection with estimates of our national wealth, placed roughly at \$225,000,000,000 and our annual income as a people, which is said to be somewhere near \$50,000,000,000."

MR. STILLWELL: I do not want to prolong this thing, but Mr. Farwell, what schedule did you recommend there on personal income?

MR. FARWELL: The personal income tax?

MR. STILLWELL: I mean the rate applied.

MR. FARWELL: The rate begins at 1 per cent and runs up to 40 per cent on incomes of a million and over.

MR. STILLWELL: You did not recommend the initial rate be doubled?

MR. FARWELL: No, we were against doubling the corporation or the present income tax of 2 per cent, from the fact it would affect a good many corporations like railroad corporations, which are having a hard enough time anyway, and we did not think it was a good thing to do; but rather that any extra tax should come in the excess



profits tax rather than doubling the present corporation tax, or income tax from 2 per cent to 4. Is that what you mean?

MR. STILLWELL: Yes. That was on corporations, but now what about the personal tax?

MR. FARWELL: The personal stays the same, from 2 per cent running up to 40 by gradation.

MR. STILLWELL: Just what is that gradation, if you have it convenient?

MR. FARWELL: The Ways and Means Committee are now considering the whole question. This was something to be voted on by the various chambers of commerce of the country, which might have some influence on the Ways and Means Committee on the final vote that comes in. Of course, every one who belongs to the chamber of commerce has a right to vote on the various things and when it comes in it may be against the report. We do not know. It is up for referendum now. It is being voted on by all of the various chambers of commerce of the United States.

(Mr. Farwell then read the income tax scale proposed, running from 1 per cent on five thousand to 40 per cent on a million or over.)

MR. CARR: May I ask whether you have any knowledge of the proposition that is being raised in England on bonds.

MR. FARWELL: Bonar Law in a recent statement said their last statement showed they raised 26 per cent by taxation and 74 per cent by bonds.

MR. CARR: Then that would have a direct effect on that statement Mr. Wetmore asked for.

MR. FARWELL: Yes, our recommendation was about 40 and 60.

MR. CARR: On the basis that England had raised but 50 per cent in bonds the difference would not be so great, the difference between her percentage of increase of war taxation would not be so great as indicated in that report.



MR. FARWELL: I do not get the point.

MR. CARR: If we raise in this country 76 per cent by bonds we would only raise 24 by special taxation.

MR. FARWELL: The proposition that we were to do was 40 and 60 in this country. England raised 74 and 26, since they started the war; but they are raising more in proportion by taxation than when they started, that is, the whole business from the beginning up to now. They did not make it high enough to begin with.

MR. DONNELLEY: Mr. Farwell, these bonds are to be paid for how?

MR. FARWELL: That is left with the secretary of the treasury. We left that with the bankers. The Secretary of the Treasury said that he would get advice on that.

PRESIDENT FORGAN: The secretary was in New York yesterday and took lunch with the New York bankers at which time he was taking advice on the subject.

MR. FARWELL: I am sorry Mr. Hulbert is not here. I think he could answer better than I could.

MR. MARK: Is the excess profits tax on earnings or dividends?

MR. FARWELL: On earnings, on capital invested in the business, including surplus.

MR. LAVERNE W. NOYES: What about good will and patents?

MR. FARWELL: We had a provision in ours that good will would be counted if it had been paid for, like in news papers if it could be shown that money had been paid for it, although it is difficult to arrive at, but we left it to committee to decide.

PRESIDENT FORGAN: Gentlemen, if there is no further business it now devolves upon me to surrender the honor which a year ago you conferred upon me by electing me your president.

In doing so, I wish to especially thank the members of



the executive committee for their support and assistance, without which the position might have proved a burden to me, but with which it became a continuous pleasure.

I also thank the members of the Club for their support.

The meetings have been unusually well attended and I feel that the club year has been a successful one.

I have now great pleasure in turning over the gavel to my successor, who, of course, needs no introduction to those who have done him the honor of electing him as their president for the ensuing year.

His well-known ability as an orator will materially help him in the duties of the office, while his public spiritedness and energy will, I am sure, reflect great credit on the club during his administration of the office.

I take great pleasure in presenting my successor, Mr. Harrison B. Riley.

**PRESIDENT HARRISON B. RILEY:** Gentlemen, the sample of the so-called oratory which I had prepared for this occasion I will ask you to kindly permit me to leave to print.

I have been very deeply honored, of course. One cannot feel otherwise. But at this particular time it is no false modesty for me to say that I wish the burden had been placed on broader shoulders.

When the Committee made the suggestion to me it was accompanied by a statement of the rule of the Club, unquestioned service, and I was willing, as we all must be, to do that which seemed the best although I do not agree with the Committee that that was the better thing.

I have been favored, since the announcement was made, with various suggestions from members of the Club intimating a lack of punch in the work of the Club. It is to be noted that very few of those gentlemen are here tonight.

Having some degree of familiarity with the work of this Club and of other clubs, I can confidently say I know



of no other organization where so much hard, bitter hard, work and fight has been developed as has happened in the work of this Club, and I assure those of you who have had the patience to listen to the reports that you obtain only a superficial view of the situation.

The pressure against inertness, the amount of steam that is put into the work of the various committees — the Vocational Committee, Mr. Eckhart's excellent, hard driving work on the taxation committee, the work of other committees — is in my judgment, unequaled, and if it were the general opinion that the coming administration was expected to do something more or better or more effective than that which has been done in the past year, I would certainly despair.

The outstanding fact, of course, is the fact of war. It has a peculiar significance to members of this Club. It has been shown by Mr. Farwell that the burden is to be placed on men like you, and it is not placed in a kindly way. It is intimated that business must pay the price, the monetary price, because perhaps labor or agriculture or something else is paying the price of blood. It is not true. The obligation of the business class in this country is well recognized, is parallel and akin to the "noblesse oblige" of the Continent and of England. It is met loyally and it is met fairly, and at this difficult time this Club will be called upon, not only as individuals to surrender those of its blood into the war, to bear the financial burdens, but to meet the innumerable things which touch charity or the promotion of things which the government in its haste and its incapacity overlooks.

To that end, perhaps ignoring precedent a little bit, I have asked Mr. Eckhart to present a resolution, which you may either pass or refer to the executive committee, based on this thought. If this war is to be fought differently from the wars heretofore; if the questions of scandals



relating to quality and prices of goods arise; if the economical side of the war is not carefully looked to by men such as you, matters will drift in the same old way, a shame and a disgrace to intelligent people and intelligent men.

But we are going at it right in Chicago. On Monday there will be formed an organization whose duty it will be to co-operate with the state commission, for which a law was passed this week, a national advisory commission to co-ordinate all of the work of the character which can be done and must be done by the community.

The need is great. It is difficult at this time to point out items. The roster of the gentlemen who have taken an interest in forming this organization reads like a roll call of the Commercial Club. In truth, other clubs are interested, notably the Association of Commerce.

The head of the state commission has been particularly active, Mr. Insull, I refer to, in the formation of this particular corporation. Mr. Wilson, and Mr. Armour have also assumed duties. The gentlemen at my right and at my left have been giving their time to the matter for the last two or three weeks.

It is very likely the plan which they will pass on will cover such suggestions as have been made here this evening, namely, to attempt to do that thing which is the next thing to be done, the immediate, direct, calling thing, and to postpone those activities which can well be postponed, to eliminate those things which in just economy may be eliminated and to co-ordinate our generousities so that the dollar gets as near 100 per cent in efficiency as is possible. To accomplish such results this organization will likely refer, from time to time, a particular branch of service to this, that or the other club.

In order to meet the situation, we should in the place of the committee heretofore existing in my judgment, have one committee, a war committee, which, it is my



thought should consist of nine men, and be divided into three sub-committees, one particularly devoting its attention to the military affairs, the second to naval and merchant marine, and the third to economics and finance.

In this way the calls made upon the Club and upon the generosity of its members, though such demands may be great, will come to you having a double assurance, first, of the Board of Directors of the war board Corporation — and that board contains the names of men and women who stand for the same things in Chicago — and, secondly, of our general committee advised by the sub-committee which shall have made a special study of the subject.

This is not going to be a year in which we are to add very much to our nest eggs, and to us it will be a year of trial, for we will get little credit for our efforts except the knowledge that our dollars spent will be well spent in a worthy cause. These constant demands we all have for this, that or the other thing are sapping out our charitable feeling, and not accomplishing a great deal of good, and to preserve our charitable inclinations an assurance of efficient operation of necessary enterprises is absolutely essential.

I will call on Mr. Eckhart.

MR. ECKHART: Mr. President:

WHEREAS, the United States is engaged in a war which threatens to tax its resources in men and financial strength to the utmost, and

WHEREAS, it is proposed in high places that business men shall bear the larger proportion of all of the burdens incident to the prosecution of the war, and

WHEREAS, it is proper that the Commercial Club shall so organize its affairs that it may be genuinely helpful in the crisis, therefore

*Be it resolved*, That the president with the approval of the Executive Committee be directed to appoint a committee on the war to consist of nine members of the Club, and that said Committee be divided into three sub-committees covering military affairs, naval and merchant marine, and economics and finance,



to the end that the Club may at all times be advised as to the rights and duties of its members during the emergency, and that all its efforts may be so directed as to eliminate waste and duplication of effort.

Mr. President, I move the adoption of the resolution.

PRESIDENT RILEY: Do you move its adoption or move its reference to the Executive Committee?

MR. ECKHART: I assume if you adopt the resolution, then with the advice and consent of the Executive Committee, you will appoint the Committee.

I make that motion.

MR. REYNOLDS: I second the motion.

(The motion was unanimously carried.)

PRESIDENT RILEY: Is there any further business to come before the meeting? If not, a motion to adjourn is in order.

(A motion to adjourn was duly made, seconded and unanimously carried, and the meeting thereupon adjourned.)



Reports of Officers and Committees  
to  
Thirty-ninth Annual Meeting  
of  
The Commercial Club of Chicago

THE COMMERCIAL CLUB, ORGANIZED 1877  
THE MERCHANTS CLUB, ORGANIZED 1896  
UNITED 1907







## REPORT OF THE SECRETARY

### *Commercial Club of Chicago, 1916-1917*

Your Secretary reports as follows on subjects connected with the administration of his office during the Club year 1916-1917.

The following changes in membership have been recorded:

*From Active to Non-Resident*

John R. Morron . . . . . October 18, 1916

*From Associate to Non-Resident*

Robert T. Lincoln . . . . . October 13, 1916

The active membership has been increased by the election of the following members:

Frank O. Wetmore . . . . . April 8, 1916

Albert W. Harris . . . . . November 11, 1916

Charles Piez . . . . . January 13, 1917

Edward N. Hurley . . . . . February 10, 1917

Robert J. Thorne . . . . . April 7, 1917

The active membership is now complete.

There have been the following removals from membership through death.

*Active*

William A. Gardner . . . . . May 11, 1916

*Associate*

Enos M. Barton . . . . . May 3, 1916

*Retired*

Murry Nelson . . . . . January 2, 1917



## THE COMMERCIAL CLUB OF CHICAGO

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The following table shows the membership at the end of the last five Club years, with summary of the changes in the different classes of membership during present year.

|              | 1912-13 | 1913-14 | 1914-15 | 1915-16 | Accessions | Removals<br>1916-17 | Net Total<br>end of year |
|--------------|---------|---------|---------|---------|------------|---------------------|--------------------------|
| Active       | 91      | 86      | 85      | 87      | 4          | 1                   | 90                       |
| Associate    | 18      | 25      | 25      | 24      |            | 3                   | 21                       |
| Non-resident | 15      | 14      | 16      | 17      | 2          |                     | 19                       |
| Retired      | 6       | 5       | 5       | 4       |            | 1                   | 3                        |
|              | <hr/>   | <hr/>   | <hr/>   | <hr/>   | <hr/>      | <hr/>               | <hr/>                    |
|              | 130     | 130     | 131     | 132     | 6          | 5                   | 133                      |

### REGULAR MEETINGS OF THE CLUB

Including the Annual Meeting, held May 5, 1917, all of the Regular Meetings provided for by the Articles of Association will have been held. All regular meetings have been open meetings, with the exception of the annual meeting, which is a closed meeting.

### CLUB EXCURSIONS

On June 28, 1916, the Club visited the Naval Training Station at Great Lakes, Illinois, in acceptance of invitation extended by Captain Moffett, Commandant of the Station, for an entertainment to be given in honor of the Commercial Club. A special train was provided for the Club, and luncheon was served en route, the members returning to Chicago on same train.

On October 18th, the Club visited the Onwentsia Club at Lake Forest, Illinois. Luncheon was served the members at the Club House. During the afternoon members played golf and baseball.



# REPORT OF SECRETARY

## ATTENDANCE AT CLUB MEETINGS AND EXCURSIONS

| Classes                | Special Meeting<br>April 27, 1916 | Naval Training<br>Station trip<br>June 28, 1916 | Lake Forest Trip<br>October 28, 1916 | Regular Meeting<br>November 11, 1916 | Regular Meeting<br>December 9, 1916 | Regular Meeting<br>January 13, 1917 | Regular Meeting<br>February 10, 1917 | Regular Meeting<br>April 7, 1917 | Total all Meetings | Average All<br>Meetings | Total Regular<br>Meetings | Average Regular<br>Meetings |
|------------------------|-----------------------------------|---|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|----------------------------------|--------------------|-------------------------|---------------------------|-----------------------------|
| Members—               |                                   |   |                                      |                                      |                                     |                                     |                                      |                                  |                    |                         |                           |                             |
| Active . . . . .       | 43                                | 33  | 45                                   | 68                                   | 60                                  | 64                                  | 57                                   | 49                               | 419                | 52.25                   | 298                       | 59.60                       |
| Associate . . . . .    | 8                                 | 4   | 6                                    | 7                                    | 4                                   | 9                                   | 5                                    | 6                                | 49                 | 6.10                    | 31                        | 6.20                        |
| Non-resident . . . . . | 0                                 | 0   | 0                                    | 0                                    | 0                                   | 2                                   | 0                                    | 0                                | 2                  | .25                     | 2                         | .40                         |
| Retired . . . . .      | 0                                 | 0   | 0                                    | 0                                    | 0                                   | 1                                   | 0                                    | 0                                | 1                  | .12                     | 1                         | .20                         |
| Total . . . . .        | 51                                | 37  | 51                                   | 75                                   | 64                                  | 76                                  | 62                                   | 55                               | 471                | 58.72                   | 332                       | 66.40                       |
| Guests:                |                                   |   |                                      |                                      |                                     |                                     |                                      |                                  |                    |                         |                           |                             |
| Club . . . . .         | 10                                | ..  | ..                                   | 9                                    | 11                                  | 11                                  | 13                                   | 22                               | 76                 | 10.82                   | 66                        | 13.20                       |
| Members . . . . .      | 64                                | ..  | ..                                   | 76                                   | 62                                  | 90                                  | 104                                  | 130                              | 526                | 75.14                   | 462                       | 92.40                       |
| Total . . . . .        | 74                                | 37  | 51                                   | 85                                   | 73                                  | 101                                 | 117                                  | 152                              | 602                | 85.96                   | 528                       | 105.60                      |
| Grand Total . . . . .  | 125                               | 37  | 51                                   | 160                                  | 137                                 | 177                                 | 179                                  | 207                              | 1073               | 144.68                  | 860                       | 171.60                      |

Following is a comparison of the regularity of attendance by members at the regular meetings of the two Club years, 1915-1916 and 1916-1917.

| Number of<br>Meetings<br>Attended | 1915-1916<br>April Meeting 1915, to March<br>Meeting, 1916, both inclusive;<br>Six Regular Meetings |                |                 |         | 1916-1917<br>April Meeting, 1916, to April 7,<br>1917, Meeting, both inclusive;<br>Six Regular Meetings |                |                 |         |
|-----------------------------------|---|----------------|-----------------|---------|---|----------------|-----------------|---------|
|                                   | Active  | Asso-<br>ciate | Non-<br>Resid't | Retired | Active  | Asso-<br>ciate | Non-<br>Resid't | Retired |
| 0 . . . . .                       | 5   | 8              | 16              | 3       | 3   | 9              | 19              | 2       |
| 1 . . . . .                       | 3   | 9              | 1               | 1       | 6   | 4              | 1               | 1       |
| 2 . . . . .                       | 17  | 2              | 0               | 0       | 14  | 0              | 0               | 0       |
| 3 . . . . .                       | 15  | 1              | 0               | 0       | 13  | 3              | 0               | 0       |
| 4 . . . . .                       | 19  | 2              | 0               | 0       | 27  | 4              | 0               | 0       |
| 5 . . . . .                       | 16  | 2              | 0               | 0       | 19  | 4              | 0               | 0       |
| 6 . . . . .                       | 7   | 0              | 0               | 0       | 13  | 0              | 0               | 0       |
| Total attendance . . . . .        | 280   | 34             | 1               | 1       | 354   | 49             | 1               | 1       |
| Average . . . . .                 | 46.67   | 5.66           | 0.17            | 0.17    | 59  | 8.17           | 0.17            | 0.17    |

NOTE.—Members total attendance included in the class in which he was listed at the close of the year. Attendance of members added to or removed from rolls during year not included. The active members who were absent from the regular meetings during the year submitted statements of reason for non-attendance acceptable under the Club's Articles of Association.

During the year thirteen fines have been assessed for non-attendance of members at regular meetings of the Club.



## THE COMMERCIAL CLUB OF CHICAGO

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### EXECUTIVE COMMITTEE MEETINGS

Since taking office, the Executive Committee has held twenty-six meetings, with an average attendance of seven out of a membership of ten.

### YEAR BOOK

A Year Book of the usual style is in the course of preparation, and will be distributed to the members of the Club in the near future.

### OTHER PUBLICATIONS

Under the direction of the Executive Committee, there has been published and distributed during the year the pamphlet, "Views on Military Preparedness as Modified by the Texas Campaign," by Colonel Milton J. Foreman and Major Abel Davis. This was an address delivered at the Two Hundred and Fiftieth Regular Meeting of the Club, December 9, 1916.

### COMMITTEES

In addition to the Executive Committee, the following standing committees are now in service:

Reception Committee (elective).

Committee on Revision of Illinois Taxation Laws.

Committee on Plan of Chicago.

Educational Committee.

Committee on State Budget and Efficiency.

Committee on Public Aquarium.

Committee on National Defense.

Respectfully submitted,

ALFRED COWLES, *Secretary.*



## REPORT OF TREASURER

### RECEIPTS

#### *General*

|  |             |             |
|--|-------------|-------------|
| Balance from former Treasurer.....   | \$ 3,865.57 |             |
| From members, account guests.....  | 4,072.50    |             |
| From members, account dues 1916-1917..   | 8,400.00    |             |
| From members, account fines and non-attendance.....  | 150.00      |             |
| Interest on bank balances.....   | 53.37       |             |
| From members Executive Committee in reimbursement of lunches at Chicago Club charged to Commercial Club..... | 25.05       | \$16,566.49 |

#### *Chicago Plan Commission Fund*

|  |        |        |
|--|--------|--------|
| Received from sale of "Plan of Chicago". | 150.00 |        |
| Contributed by Commercial Club Members   | 500.00 | 650.00 |

#### *Educational Commission Fund*

|   |       |       |
|---|-------|-------|
| Received from sale of Mr. Cooley's report | 25.68 |       |
| Royalties.....                            | 4.23  | 29.91 |

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\$17,246.40

### DISBURSEMENTS

|  |          |        |
|--|----------|--------|
| Printing, stationery, etc.....                                 | \$772.26 |        |
| Day in country.....  | \$ 94.50 |        |
| Prizes.....  | 128.00   | 222.50 |
| Telegrams—re National Assn. for Constitutional Government..... |          | 3.87   |
| Year Book 1915-1916,   |          |        |
| Publishing.....  | \$ 16.14 |        |
| Distributing.....  | 21.54    |        |
| Printing.....  | 588.94   |        |
|  |          | 626.62 |
| Summer outing.....   | \$102.75 |        |
| Prizes.....  | 200.00   | 302.75 |
| Engrossing memorials.....                                      |          | 210.00 |
| Secretary's expense.....                                       |          | 242.01 |



## THE COMMERCIAL CLUB OF CHICAGO

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|  |          |             |
|--|----------|-------------|
| Flowers — Funerals.....  | \$ 45.00 |             |
| Exchange on country items deposited.....   | .30      |             |
| Tax Amendment — appropriation.....   | 1,500.00 |             |
| Reporting meetings.....  | 165.00   |             |
| Banquets.....  | 8,448.11 |             |
| Entertainment of guests and speakers....   | 347.10   |             |
| Treasurer's expense — postage.....   | 11.64    |             |
| Chicago Assn. of Commerce — work done<br>by Mr. Cleveland in re proposed re-<br>organization of Illinois State Depart-<br>ments..... | 1,252.82 |             |
| Playground prizes.....   | 200.00   |             |
| Assistant to Secretary.....  | 1,000.00 |             |
| Assistant to Treasurer.....  | 100.00   |             |
| Miscellaneous — flag buttons.....  | 22.50    | \$15,472.48 |
| <hr/>  |          |             |
| <i>Chicago Plan Commission Fund</i>  |          |             |
| Insurance.....   | 8.28     |             |
| Personal Property Tax.....   | 42.10    |             |
| Postage and Express.....   | .98      |             |
| Subscriptions paid by Commercial Club<br>Members.....  | 1,000.00 | 1,051.36    |
| <hr/>  |          |             |
| Balance on hand May 4, 1917.....   |          | 722.56      |
|  |          | <hr/>       |
|  |          | \$17,246.40 |



## REPORT OF CHICAGO PLAN COMMISSION WORK

My report on Plan Commission work for the past year is necessarily brief, although I believe the progress which the Plan of Chicago has made is a subject for congratulation.

*Twelfth Street:* Since my last report, all Supreme Court decisions in the Twelfth Street case have been rendered, with the exception of one or two, which are expected next month. With three exceptions all the buildings between Ashland Avenue and Canal Street have been removed or moved back. The lowest bid for the new Twelfth Street bridge, due to the war price of steel, was 100 per cent greater than the appropriation. In view of all the new bridges to be built in the near future, the Commissioner of Public Works felt that it would put the city in an embarrassing position to accept such a high bid. New bids have therefore been ordered.

*Michigan Avenue:* In the Michigan Avenue case the hearing of the objectors on the assessments for benefits where no property is taken or no claim made for damages was finished April 6th. The hearing on cross petitions covering Michigan Avenue property damaged but not taken and property on side streets affected by a change of grade, are now going forward daily. This is true also of the cases where property owners waived jury trial, agreeing to abide by the decision of the court. It is expected that both branches of the case now in court will be ended by the latter part of May, when the city will start its rebuttal.

It is hoped that the final branch of the case, covering the jury trials on property taken, may begin early in June. The attorney for the Board of Local Improvements has



succeeded in getting properties, totaling about four blocks of frontage, to accept the Court Commissioner's awards. This has shortened the trial by about twelve weeks. The legality of the proceedings has been established by an agreement between the city and objecting property owners, whereby the owners withdrew all their objections to the city's right to make the improvement. This leaves only the adjudication of the amounts of awards for damages and assessments for benefits. On one piece of property the award of the court commissioners was \$550,000; the property owner claims \$1,750,000 damages.

*Lake Front:* Since my last report constant negotiations between the city authorities, the Illinois Central Railroad Company, the Railway Terminals Commission and the Chicago Plan Commission have taken place in connection with the Lake Front Improvement. At present the matter is being held up pending the appointment of new council committees. It is our intention to use every endeavor at our command to bring these negotiations — which involve the question of electrification — to an early and successful completion. This will open the way for the granting of government permission enabling the creation of the south shore parklands. How this can be done *for nothing*, in *twelve years*, through the utilization of Chicago's waste material, has been embodied in pamphlet form and distributed to each member of this club. A plan has been prepared which has the approval of the South Park Commissioners and the Lincoln Park Board for connecting the north and south side park systems, by an outer driveway between the Municipal Pier and Grant Park at Randolph Street. This driveway could be made by the two park boards without requiring action on the part of the city authorities.

*Post Office:* The appropriation of \$6,000,000 for the west side main post office, approved by the House, failed to have



Senate action at the last session of Congress because of the national crisis. It is now proposed to ask for an appropriation for the Chicago post office alone, rather than tie it up with "pork" appropriation bills.

*Forest Preserve:* The survey of Cook County by the Board of Forest Preserve District Commissioners shows 35,000 acres of land available, of which 21,000 acres have been recommended. The board has \$11,000,000 available for the purchase of these preserves. Upwards of 2,000 acres have already been purchased and 1,000 more have been selected. It is the purpose of the Board to provide these forest preserves on all sides of the city so that they will be conveniently accessible from any section. The County Board is also developing good roads connecting the forest preserves with each other and with the city.

*Ogden Avenue:* The Chicago Plan Commission, at its meeting December 12, 1916, adopted a resolution urging the City Council to direct the Board of Local Improvements to hold public hearings on the extension of Ogden Avenue, at a width of 108 feet, and a cost of \$4,649,000, for two and a half miles, from Union Park to Lincoln Park. The engineer of the Board of Local Improvements has just completed his survey of the area affected, preparatory to the holding of public hearings for this extension.

*Ashland Avenue:* The Plan Commission also adopted a resolution for the extension of North Ashland Avenue, at a width of 100 feet, and a cost of \$1,275,000, from Cortland Street to Clybourn Avenue. This is now before the Board of Local Improvements.

*Western Avenue, Robey Street and South Ashland Avenue:* The Commission also authorized its officers and technical staff to complete their studies of the need for improving Western Avenue, Robey Street and South Ashland Avenue. This work is now under way.

*Collateral Projects:* Other collateral projects, such as



zoning, housing, bridge construction, the straightening of the Chicago River, and other civic improvements are receiving attention and making normal progress.

Very truly yours,

CHARLES H. WACKER,

*Chairman Chicago Plan Commission.*



## REPORT OF COMMITTEE ON REVISION OF ILLINOIS TAXATION LAWS

Your Committee on Revision of Illinois Taxation Laws reported at the last annual meeting that in co-operation with many other civic bodies and associations, after a struggle of many years, they have finally been successful in securing the adoption by the General Assembly of the Joint Resolution prepared by the Illinois Special Tax Commission providing for an Amendment to the Constitution in respect to the classification of personal property for purposes of taxation.

Your Committee also reported at that time that a great deal remained to be done in order to secure the approval of the Amendment by the electors of the State at the election in November, 1916.

Shortly after the last report was made to the Club at the annual meeting, your Committee took steps to inaugurate a statewide campaign and bring about the concerted efforts of the various organizations interested in securing the adoption of the Tax Amendment to the Constitution, by organizing the "Tax Amendment Campaign Committee." This Committee was made up of about five hundred leading citizens, merchants, manufacturers, bankers, trade unions, political organizations, and professional associations. It comprised the Chicago Association of Commerce, Chicago Real Estate Board, Cook County Real Estate Board, Northwest Side Commercial Association, Civic Federation of Chicago, Woodlawn Business Men's Association, Commercial Club, South Chicago Business Men's Association, Chicago Retail Druggists Association, Citizens Association, Illinois Taxpayers Alliance, Lake-



view Property Owners and Improvement Association, Building Managers Association, South Park Improvement Association, Industrial Club, Rogers Park Improvement Association, West Side Business Men's Association, Union League Club, Illinois Manufacturers Association, North Side Commercial Association, Bond Men's Club, Board of Trade, Chicago Bar Association, Architects Business Associations, Retail Coal Dealers Association, Iroquois Club, Hamilton Club, and many others.

The following officers of this General Committee were chosen to carry forward the work: Chairman, B. A. Eckhart, Vice Chairmen, J. Lewis Cochran and Frank L. Shepard; Treasurer, Walter H. Wilson; Secretary, Douglas Sutherland.

Much preliminary work had been done by the Civic Federation of Chicago prior to the organization of the Committee. We secured the ready and cheerful co-operation in a vigorous campaign of the following State Organizations: Illinois Farmers' Institute, Farmers' Grain Dealers' Association of Illinois, Illinois Live Stock Breeders' Association, Illinois Bankers Association, Illinois Manufacturers Association, Employers Association of Illinois, Real Estate Association of Illinois, Supervisors, County Commissioners and County and Probate Clerks' Associations of Illinois County Treasurers' Association, Illinois Pharmaceutical Association, and others.

The Illinois Tax Amendment Committee with from five to a hundred active and influential members in each county of the State, under the chairmanship of Frank I. Mann, of Gilman, and the Vice Chairmanship of Judge S. B. Montgomery, of Quincy, afforded a splendid medium for effective work throughout the State. The work of this Committee was extremely effective. The value of having interested co-operators in each county to report and take care of local trouble, assist with literature, arrange meet-



## REPORT OF COMMITTEE ON TAXATION LAWS

ings and stimulate newspaper interest, cannot be over-estimated.

Meetings were held and addressed, and organizations effected in practically every county in Illinois. When you recall that there are 102 counties in the State, you can form a slight estimate of what it means to organize the counties and conduct an active campaign with a view of educating and interesting the voters upon the subject of a Constitutional Amendment effecting the question of taxation.

A vast amount of literature was prepared, compiled, printed and distributed. Among other printed matter distributed there were 100,000 copies of an 80-page text book entitled "Apace with Progress" and published by the Civic Federation. These books were sent to every educator, lawyer, clergyman, library, public official, physician, dentist, barber, druggist and general storekeeper, listed in Illinois. 50,000 smaller pamphlets were distributed by hand at the various meetings addressed. 200,000 of these pamphlets were sent to Republican and Democratic headquarters for distribution through the ward organizations. 100,000 pamphlets were sent to personal property taxpayers in Chicago. 1,500,000 inserts were distributed throughout the State by commercial and civic organizations, and business houses. 1,500,000 inserts were distributed in small packages to two workers in each precinct in the State for use on election day. 510,000 postcards showing position of "Tax Amendment" proposition on the "little ballot" urging a vote "Yes" were sent to every registered male voter in the City of Chicago. Cards were tacked along every great thoroughfare and displayed at every elevated railway station. Through the courtesy of the President of the State Board of Agriculture booths were established in the Fair Grounds at Springfield and literature distributed to thousands of voters of this state.



### NEWSPAPER PUBLICITY

A meeting of the Newspaper Publishers of Chicago and Cook County was called by the Committee, at which were present representatives of all of the leading newspapers of Chicago, including all of the publishers and editors of the foreign language papers, who manifested great interest in the subject and supported the proposition with vigor through the entire campaign. The newspapers of the state and of the City of Chicago are entitled to the warmest thanks for their unselfish and efficient co-operation in the campaign of education.

The Committee's "newspaper plate service" was ordered by nearly 500 newspapers outside of Chicago. Five pages of reading matter were sent out during September and October and the final page to 860 newspapers.

### POLITICAL HELP

Political aid was invoked and responded with alacrity. All of the leading candidates for Governor both before and after the primaries, Frank O. Lowden, Frank L. Smith and Morton D. Hull, Republicans; Edward F. Dunne and William B. Brinton, Democrats; Seymour Stedman, Socialist; and John R. Golden, Prohibitionist; endorsed the Amendment and spoke for it on the stump, as did most of the candidates for the other offices. Through the good offices of other prominent leaders of all parties and factions, notably Roger C. Sullivan, Carter H. Harrison, James M. Dailey, Arthur W. Charles, Democrats; and Roy O. West, William Hale Thompson, F. E. Sterling, Lawrence Y. Sherman, Homer K. Galpin, Charles S. Deneen, and Edward J. Brundage, Republicans; unqualified endorsements were secured from both the Democratic and Republican State Conventions, and the active assistance of a worker



## REPORT OF COMMITTEE ON TAXATION LAWS

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representing each party at each precinct polling place on election day, was secured. Badges, literature, and moderate compensation for the active workers, were supplied by the Committee.

Your Committee also called a meeting of all of the candidates for State Senators, Members of the Legislature, and County Officers, and secured their pledges to support the Amendment on the platform during the entire campaign. All of these men rendered splendid and effective service. Hundreds of meetings were called and addressed by able speakers throughout the city, county and state.

At the November 7th election the total number of men taking ballots for purposes of voting for all offices, national, state or local, in Illinois, is shown by the poll books to have been 1,343,381. The "Yes" vote on the adoption of the Amendment was 656,298. On this basis the Amendment would have failed to carry by 15,396 votes.

On the other hand, however, the greatest number of electors in all fifty-one senatorial districts in this state voting for members of the General Assembly, totaled 1,269,331. The total number of the "Yes" vote on the adoption of the Amendment being 656,298, the proposition carried by a majority of 21,632. We, therefore, hold that the proposition was clearly carried.

We appeared before the State Canvassing Board after the Board had canvassed the vote, following the November election, and that body on December 9th declared that the Amendment, having received a majority of all those voting for members of the General Assembly, had been adopted. It is contended, however, in some quarters, that the majority contemplated in the language of the Constitution providing for submission and adoption of constitutional amendments, requires a majority of all those shown by the poll book to have taken ballots at the general election regardless of whether they marked those ballots for national, state or



local offices, or whether they returned them to the election judges blank and not voted for any official at all.

In order to avoid any doubt and any question of the stability of remedial tax legislation in the future, efforts are now being made to get this question before the State Supreme Court for final and authoritative decision at the earliest possible moment. The fact that the basis used by the Canvassing Board was in practical operation from 1818 to 1870 encourages belief that the decision will be favorable to our contention. In order to bring this issue before the Supreme Court at the earliest moment it was necessary to bring action in the Circuit Court of Sangamon County. Judge Jones of the Sangamon County Court decided adversely to our contention. This, however, was not unexpected. The case will now be taken immediately to the Illinois Supreme Court for final decision.

The necessary and legitimate expenses for carrying on an active and vigorous statewide campaign such as the Committee found it necessary to make in order to interest 1,500,000 men voters in Illinois at a general presidential election, with a ballot over four feet long containing over 150 names of candidates to be passed upon by the voter, and a very large "Little Ballot" upon which there were five separate propositions to be voted upon, was quite a serious problem. Fortunately, the Committee succeeded in persuading Mr. Walter H. Wilson to accept the Chairmanship of the Finance Committee. His acceptance of the onerous burden at once dispelled all doubt as to what the result would be. Mr. Wilson's persevering and indefatigable work resulted in raising ample funds with which to defray the legitimate campaign expenses. Mr. Wilson is entitled to the hearty thanks of the Committee, this Club, and this Community.

The Officers of the Committee must also call attention and express deep gratitude for the splendid services ren-



dered by Mr. Harrison B. Riley in the preparation of the case in connection with the submission of the question to the Supreme Court for final adjudication.

Too much praise cannot be bestowed upon the Secretary of the Committee Mr. Douglas Sutherland, for his intelligent, painstaking, energetic, and persevering efforts in behalf of the Amendment, and much of the success of the work of the Committee is due to his fidelity and loyalty to the work of the Committee.

If the final decision of the Supreme Court should be favorable — as we confidently believe it will — it will then devolve upon the General Committee to appeal to the Governor of the State to call a special session of the Legislature to enact a just and equitable statute providing for the classification of personal property for purposes of taxation and to deal effectively and intelligently with the problems of unjust and unequal distribution of tax burdens.

Respectfully submitted,

B. A. ECKHART, *Vice-Chairman.*



## REPORT OF THE COMMITTEE ON STATE BUDGET AND EFFICIENCY

As a result of the presentation of the subject before the Club by Mr. Medill McCormick November 13, 1915, your committee was appointed, charged with the duty of forwarding in whatever manner possible the work of securing legislation consolidating our many State instruments of government. The committee very early presented the subject to the Association of Commerce for the purpose of enlisting its co-operation. That body promptly and enthusiastically accepted the invitation to join us and appointed a strong committee which effectively co-operated with your committee throughout the entire period in which the subject was under consideration.

The committee appointed thoroughly considered the proposed programs of administrative control and the methods to be used in securing legislation favorable to such programs. While these conversations were in progress, the issues involved were crystalized and somewhat refined in the Governorship campaign last fall for the primary and for the election. One of the prominent planks in the campaign platform of the successful candidate, Governor Frank O. Lowden, was a proposed consolidation of and a new civil administrative code for the various State agencies under the direction of the Governor.

Naturally the committee awaited the announcement of the results of the polls with much interest. As the vote was announced, it was apparent that much of the educational work for which the committee had been organized had been accomplished. There remained, however, some work yet to be done in Springfield. At the suggestion of



## REPORT OF COMMITTEE ON STATE BUDGET

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Mr. Medill McCormick and with the consent and full co-operation of Governor Lowden your committee secured the services of Doctor F. A. Cleveland.

The members of the Club know Doctor Cleveland, Director of the Bureau of Municipal Research, New York City, through the address to the Club delivered by him in March last year. Doctor Cleveland's work in Springfield was of great assistance to the Governor in securing the measure for the consolidation of State agencies known as the Consolidation Bill, passed by the Fiftieth General Assembly, March 1, 1917.

This Act, which becomes a law July 1, 1917, creates nine departments of the State Government as follows:

Department of Finance.

Department of Agriculture.

Department of Labor.

Department of Mines and Minerals.

Department of Public Works and Buildings.

Department of Public Welfare (which is to be headed by our fellow club member, Mr. Chas. H. Thorne).

Department of Public Health.

Department of Trade and Commerce.

Department of Registration and Education.

Each of these departments shall have a head who is to be known as a Director, fully empowered to discharge the duties vested in his department. In addition to a full corps of officers for each department, eleven advisory and non-executive boards are authorized to facilitate the work of the following departments: Agriculture, Labor, Public Works, Public Welfare, Public Health and Registration and Education. These advisory boards serve without pay.

The Act abolishes one hundred and thirty-one boards, officers and types of employees which, heretofore, made our State Administration difficult and slow, and were maintained only at an exorbitant expense to the tax payers.



## THE COMMERCIAL CLUB OF CHICAGO

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The net saving in money resulting from the consolidation in certain to be very large.

In securing the services of Doctor Cleveland, the Commercial Club and the Association of Commerce each pledged a sum not to exceed \$2,500. Of the amount appropriated by the Club, \$1,608.69 has been spent.

Much of the credit for the aid that has been given to Governor Lowden in securing the passing of the Bill is due to the unstinted energy of Mr. Medill McCormick and to the Association of Commerce Committee headed by Mr. Lynde, on which much of the detail work devolved.

Respectfully submitted,

HOWARD ELTING

D. R. FORGAN

HARRY A. WHEELER

RICHARD C. HALL

JOHN G. SHEDD

BERNARD A. ECKHART

HOMER A. STILLWELL



## REPORT OF THE FIRST STATE PAWNERS SOCIETY

In making the annual report to the Commercial Club, I can perhaps do no better than to quote, in part, from the report made by the Directors to the Stockholders, as follows:

“The report made to the Stockholders shows about the same percentage made on our capital as we have made in previous years. It is interesting to note that the total business of the Society in loans and redemptions, since the beginning, has amounted to the large total of \$31,011,690, and that our losses have been nothing, because the deficits at the auction sales have been more than made up by the surplus remaining after the expiration of the two years required for its being held.

“The Directors decided last summer to enter upon the experiment of starting a branch of the Society on the West Side. They finally selected the location at 39 South Halsted Street. This branch has been open since the first of September, and has been gaining in business nearly every week. It is not expected that this will pay its way for the first year, and perhaps it may not be worthy of continuance. As the New York institution, the Provident Loan Society, has a great many branches in New York, it seemed as though we ought to try the experiment in Chicago, especially as we had put ourselves into a financial condition where a small loss would make no practical difference in our earnings, both the earnings and surplus being so large that there is no possibility of dividends being reduced.”

This Branch has now been running since the first of September, and we have outstanding loans of approximately \$16,000. In order to pay expenses, we shall have



## THE COMMERCIAL CLUB OF CHICAGO

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to have an average of between \$40,000 and \$50,000 loans outstanding. This year we shall probably lose between \$3000 and \$4000 and we have come to realize that it might take three years to demonstrate whether branch institutions would be profitable in a city like Chicago. Even if it makes no money, we believe it will meet a need in that section of the city.

The net profit for last year was \$94,636.46, as compared with \$91,272.98 the previous year.

The capital is now \$800,000; and the surplus and undivided profits September 30th was \$441,000 and on March 31, 1917, \$453,000.

The business of the Society is now running about even with last year, and we look for about the same results.

JOHN V. FARWELL, *President.*

By Order Board of Directors:

EDGAR A. BANCROFT

EDWARD B. BUTLER

THOMAS E. DONNELLEY

DAVID R. FORGAN

JOHN V. FARWELL

FRANK H. JONES

ROLLIN A. KEYES

JOHN W. SCOTT

JOHN G. SHEDD



## REPORT OF THE COMMITTEE ON NATIONAL DEFENSE

Mr. President and Gentlemen: Your Committee, appointed in April, 1916, organized at once and proceeded to study the needs of the military and naval branches of our government.

It received the aid and advice of gentlemen familiar with the technical requirements of the situation as well as of those who, like your committee, lacked the necessary education to determine the necessary steps to be taken but who were convinced that the subject should be discussed from the point of view of the citizen in order to stimulate activity on the part of the government.

The Committee arranged for a number of meetings of the Club at which satisfactory speakers were presented, and took such steps to obtain due publicity as seemed wise.

The Committee in association with other organizations in Chicago and elsewhere, took an active part in promoting the great preparedness parade of last June as an expression of the feeling of the citizens that the government must give adequate attention to the subject matter and as an assurance that steps taken would receive popular support.

The result of this parade in this and other cities was immediately apparent. The subject of military preparedness became a live matter, both in Congress and in the country.

It was considered wise by your Committee to further discussion of the volunteer system of developing personnel for the army and navy, as well as different forms of conscription.



It early became convinced that the volunteer system had no place in our country, and in association with other organizations, has done a large amount of educational work. It has also taken the position that half measures are dangerous and has opposed trifling with this serious subject for the benefit of special interests.

Plans for military service or training which have sought to limit the military power of the state and the nation so that the same cannot be used in all emergencies or in offensive as well as defensive warfare have been considered to be dangerous to the safety of the nation and have been resisted.

Without professing the ability to pass authoritatively upon any plan depending upon special military training and knowledge, it seemed to your committee that the following conclusions demand the support of all good citizens of the country:

1st: The total abolition of the volunteer system.

2nd: The support and efficient maintenance of the National Guard as a general reserve for all military purposes unless and until all of the duties of the National Guard become vested in a National Army.

3rd: The establishment of conscription as a national policy both for the National Army and Navy and the National Guard and Naval Militia.

4th: That such conscription should be responsive to the needs of the government in the character, capacity and number of men required from time to time by the government under the terms of a selective conscription act.

5th: That any striving for an impossible equality of the military burden is a weakness and not a matter of strength in any plan of compulsory military and naval service and that the selection of the personnel of the army and navy must be made from the point of view of the military authorities, irrespective of the inequalities which may be produced amongst individuals to the end that the



## REPORT OF COMMITTEE ON NATIONAL DEFENSE

government may mobilize the industrial as well as the military power of the nation.

6th: That the citizens of the country are entitled to be assured that any plan of compulsory Military and Naval Service formulated by the Military and Naval authorities is not and will not be modified by the political departments of the government for any political exigencies.

7th: That it is absolutely necessary for the protection of the lives and health of the American boys who will constitute our Military and Naval Forces, that officers be chosen for skill and merit in their respective professions and that the country thoroughly discountenance any attempt to restore the former system whereby officers were chosen through political or personal considerations unconnected with any proven ability in the naval and military services.

8th: The commanding fact of war with the most powerful military combination of a century must, necessarily, enlist the interest and support of the Club during the existence of the emergency.

Sporadic efforts of individual organizations in support of diverse military and naval organizations will, in the judgment of your committee, fail to produce results at all adequate to the situation and, therefore, should be discouraged.

When the government shall have announced its program and called upon its citizens for aid and service this Club, in co-operation with other organizations in the city, should stand ready and willing to perform its part and make due sacrifices in time and money in support of the governmental plans.

Respectfully submitted,

EUGENE J. BUFFINGTON,

SAMUEL INSULL,

H. H. PORTER,

JOHN T. PIRIE,

HARRISON B. RILEY.



## REPORT OF JOINT COMMITTEE ON RE- ORGANIZATION OF MUNICIPAL GOVERNMENT OF CHICAGO

May 5, 1917.

*To the Members of the Commercial Club:*

Mr. President and Gentlemen: During the fall of 1916, the Chicago Bureau of Public Efficiency published a report on the unification of local governments in Chicago. The report was sent to each member of the Club. This report showed by graphic chart the multiplicity of governing and taxing bodies in Cook County and another chart showed a comprehensive plan of combining the governments of the County, City, Sanitary District, Park Boards and all other municipalities.

One of the features of this scheme was that the voters would only vote once in four years for one representative to the city government. In order that this remarkable report should not die with its publication, the President of the Union League Club asked, in January, eight other organizations to send representatives to a meeting at which ways and means should be discussed of putting these recommendations into effect. The organizations invited to participate besides the Union League Club, were the Commercial Club, Industrial Club, the City Club, Chicago Bar Association, Chicago Association of Commerce, Citizens Association, Chicago Real Estate Board and the Cook County Real Estate Board.

As a result of this meeting, it was decided to form a joint conference committee, to which each one of the above organizations would send one representative, and this conference committee has held, during the last three months,



## REORGANIZATION OF MUNICIPAL GOVERNMENT

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six meetings. It was realized that the comprehensive changes recommended by the Chicago Bureau of Public Efficiency could not be made without constitutional changes in our basic law pertaining to the city and county, limitation of bonded indebtedness and the judiciary, and the committee determined that they would confine their efforts to changing the form of the present city governments, which could be done by legislative act.

To this purpose, the Chicago Bureau of Public Efficiency prepared a bill to be presented at Springfield, the principal features of which were the redistricting of the city into wards of approximately equal population (some of the river wards now contain only one-third of the population of the larger wards); the election of only one alderman from a ward for a four-year term; the election of the mayor, comptroller and city clerk by the aldermen and the appointment of all other officials by the mayor; the salary of the alderman not to be over \$4,000.00 and their election to be subject to recall, Concerning the details of this bill, there were as many minds as there were committeemen. Some recommended that the aldermen should not be more than nine, but others held out for thirty-five; some that the alderman should be virtually executive officers and should be paid a salary of \$10,000.00 a year and others that the aldermen should be nothing more than a Board of Directors to select the mayor, pass upon the general policies and receive only a director's fee for services. Some thought the aldermen should be elected each one from a ward; others thought such an election would not assure the city the quality of aldermen desired and that the election should be at large. With one exception, it was agreed that the mayor should be selected by the aldermen, but the one objector made the point that the mayor at the present time was an independent curb upon the board of aldermen and it was unsafe to put the



full responsibility upon the aldermen without this check. The question of the recall was not discussed.

It was the desire of some of the representatives that a bill should be introduced at Springfield during this legislature, as otherwise any change in the form of the city government could not take effect for six years because before the next legislature met, a new mayor would be elected for a four-year term. Also, others thought the introduction of such a bill at Springfield, even if without a chance of passing would awaken public interest and could create a demand for a similar law at the next session. The question of introducing such a bill was finally referred back to the various organizations. The Executive Committee of the Commercial Club passed a resolution endorsing in principle, but not in detail, the bill, but advising that the bill should not be introduced at this legislature on account of the shortness of time and because the public had not been sufficiently enlightened upon the subject. This recommendation finally was adopted by the joint committee.

The joint committee, however, feels that this matter should not be dropped. It has been pretty well proven that the old line organization of municipal government in this country is a failure, and that little hope for efficiency and economy in municipal affairs can be gained through it. The recent experiments in the commission form of government and especially the business manager plan, have given great promise. The City of Dayton, Ohio, has been managed under the business manager plan since their great flood. This city, without increasing its taxes, has been able to increase its public service and has begun paying off its floating indebtedness. This is in direct contrast with all the other cities of Ohio, which find great difficulty in living within the constitutional limits of taxation.

The joint committee hopes that the question should continue to be the subject of study and agitation, and in



## REORGANIZATION OF MUNICIPAL GOVERNMENT

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order that this may be accomplished, have adjourned to meet the third week in September. It has been suggested that the various organizations appoint, instead of one representative, two or three, and that this larger body work out a practical plan, acceptable to all, and that this plan then be the subject of propaganda among the citizens of Chicago.

Respectfully submitted,

THOMAS E. DONNELLEY.



## REPORT OF THE MERCHANTS CLUB FUND

Mr. Charles D. Norton, Mr. Charles H. Wacker, and Mr. W. E. Clow, have in the possession of the Northern Trust Company, the latter acting as trustee, the following bonds and money owned by The Merchants Club:

2—\$1000.00 five per cent Commonwealth Edison Company bonds.

1—\$1000.00 four per cent Metropolitan Elevated Company bond.

1—\$500.00 Swift and Company First mortgage bond.

A total in bonds of the par value of \$3,500.00.

Cash on deposit, \$68.22.

It has been the custom of the trustees to accumulate \$500.00 and then invest it in some bond acceptable to all three. The intention of the trustees was that at some future date some use could be made of the bonds that would commemorate the fact that the Plan of Chicago was put in effect by The Merchants Club. The accumulated fund is always subject to the direction of a majority of the members of The Merchants Club.

January 4, 1917.

WM. E. CLOW.



Necrology  
Club Year 1916-1917

## The Commercial Club of Chicago

THE COMMERCIAL CLUB, ORGANIZED 1877  
THE MERCHANTS CLUB, ORGANIZED 1896  
UNITED 1907













ENOS M. BARTON



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## ENOS M. BARTON

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*Resolutions Adopted at the Two Hundred and Forty-ninth  
Regular Meeting, November 11, 1916.*

An appreciation by the Commercial Club of Chicago, of Enos M. Barton, who died at Biloxi, Mississippi, May 3, 1916, in his seventy-fourth year.

Mr. Barton was a native of New York state, having been born at Lorraine, December 2, 1842. He spent the earlier years of his life in the state of his birth, moving to Chicago in 1869.

Like many Chicago men who have had conspicuously successful careers, Mr. Barton began life in an humble station, his first employment being that of a telegraph messenger. When sixteen years of age, he went to Rochester, New York, as night-operator for the New York Central Railroad. While in Rochester he entered the University of Rochester where he pursued his studies for about one year and he then went to New York City, carrying on his student work in the College of the City of New York. Later he returned to Rochester and became the head of the operating force of the Western Union Telegraph Company.

A fact not generally known is that at the time Mr. Barton was taking his University training he had it in mind to become a minister of the gospel. While unable to complete his college course he was by nature a student, and this trait grew rather than diminished throughout his busy commercial life.

Mr. Barton's duties with the Western Union Telegraph Company necessitated his moving from Rochester to



Cleveland, Ohio, and in the latter city, having severed his connection with the telegraph company, he opened a machine shop in 1869. During the same year he removed to Chicago and became associated with Elisha Gray in the manufacture of telegraphic apparatus. From this business association sprung the Western Electric Company, now developed into one of the great electrical manufacturing organizations of the world, the workshop of the Bell System, with offices scattered over two Hemispheres; developed under the watchful eye and dominant genius of E. M. Barton, who filled successively the offices of secretary, vice-president, president and chairman of the Board of Directors, over a period of forty-five years.

The manufacturing plant of the Western Electric today with its offices, laboratories and vast workshops at Hawthorne make a humming city where thousands of men and women are employed, who do their work under ideal conditions. The great property is a monument to the genius of Mr. Barton, more lasting than granite, more eloquent than rhetoric. It typifies his fervid faith and boundless anticipation. Here he wrought a homogeneous and intelligent community. Here he created an official family surrounding himself with a corps of assistants who, profiting by his example and precepts, learned to heed the word of the thinker and the lesson of experience from which spring enlarged human vision and accomplishment.

Mr. Barton's interests were many and varied and in handling them he displayed a wide range of general knowledge and a capacity to grasp and co-ordinate details to the end that efficient and profitable operation should result. His large corporate interests developed his knowledge of finance and his judgment was sought after in matters pertaining thereto. For many years he served on the directorate of the Merchants Loan and Trust Company of this city.



## NECROLOGY

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Mr. Barton had extensive lumber interests in the South. He loved life in the open and spent as much time as possible on his farm near Hinsdale, Ills. He was deeply interested in agriculture and stock raising, taking great pride in his herd of Swiss cattle, reputed to be the finest in the United States.

Mr. Barton's judgment was uniformly sound, his estimate of men always just and his policy rarely failed to be approved by the event. Superbly poised, dignified almost to the point of austerity, he had nevertheless a heart as warm and tenacious in its friendships as ever beat in the breast of man. When the large outlines of lofty characters alone remain in the annals of the electrical industry, that of Mr. Barton will stand out pre-eminent and those who follow in his footsteps will confess the benediction of his life and gladly hail his having lived, as an inspiration; a developing force of incalculable power at the birth and during the formative period of a craft whose fruits are of ever increasing value to humanity, lightening its burdens, simplifying its problems and easing its work-a-day routine in countless ways.

Persistence, patience, faith and courage united with spotless integrity and selfless devotion rounded out and wrought to heroic proportions the life work of Enos M. Barton. A gracious Providence permitted him to see the triumph of his efforts, to reach, after a period of forty-five years, what at the outset, was his horizon, and now to glimpse the new and radiant prospect which lies beyond.

BERNARD E. SUNNY

SAMUEL INSULL

E. D. HULBERT









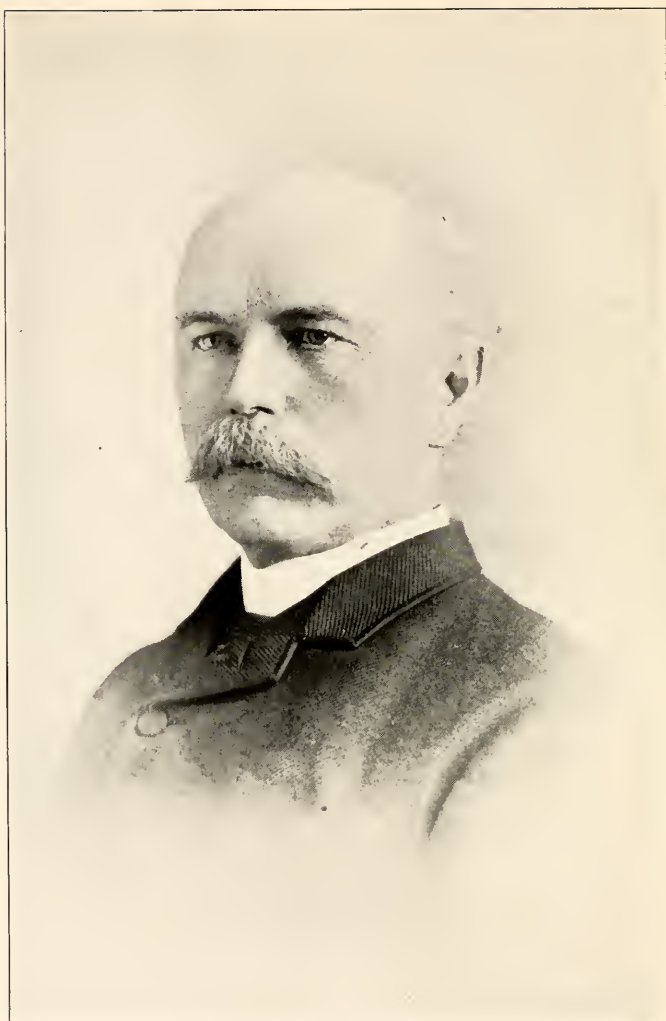












MURRY NELSON



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## MURRY NELSON

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*Resolutions Adopted at the Two Hundred and Fifty-first  
Regular meeting, January 13, 1917.*

With the passing of Murry Nelson we chronicle the loss of one more from the fast diminishing ranks of the strong characters who, half a century ago, were devoting largely of their energies to the upbuilding of Chicago. It has been said of Murry Nelson that to tell in detail of his public activities is to write the history of Chicago for fifty years, because in every movement which attracted the attention of good citizens his name was prominent.

He was born in Oswego County, New York, July 9, 1830, and was educated in the schools of Fulton, in that county. His business career began in a Fulton country store, which he left at the age of 20 to seek employment in New York City. In 1854 he went to Binghamton, New York, and two years later made his last change, coming to Chicago and establishing the grain commission house of Murry Nelson & Co., continuing in that business until 1902. He was also interested and successful in other commercial enterprises, but it is because of his unselfish devotion to the public welfare that Murry Nelson will be best remembered.

Mr. Nelson was one of the early members of the Board of Trade, and was one of the first to start a movement to raise troops for the Civil War. The famous Board of Trade Battery was enlisted in his office. He also recruited three regiments of infantry, two of them from the Board of Trade, and it was through his efforts in agitating the bounty



question that Illinois escaped the draft, which caused so much trouble in New York.

Soon after the fire Mr. Nelson was appointed chairman of a committee of three to determine on a plan to secure for Chicago a better water and sewage system. This led to the building of cribs to take pure water from Lake Michigan, and later to the formation of the present Sanitary District for sewage disposal. He was the first president of the Sanitary District, resigning in 1891, when the work was well under way.

Mr. Nelson was one of the seventeen men who met in the rooms of the Chicago Club December 27, 1877, and organized the Commercial Club, and he was the first treasurer of his body, serving four years. He was a director of the Board of Trade from 1876 to 1878; he was vice-president of the Chicago Citizens League in 1885; he was active in the work of the Chicago Relief and Aid Society just after the fire, when the very lives of the destitute depended upon the proper distribution of supplies, and he was a vigilante in the first days of the Citizens Association, and its president.

He was vice-president of the Academy of Design in 1873, and in 1879 assisted in the organization of the Chicago Academy of Fine Arts, now the Art Institute; in 1880 he helped organize the Chicago Astronomical Society; he was one of the original Board of Counsellors when the Chicago College of Dental Surgery was incorporated in 1883, and was active in the promotion of the Chicago Library Association.

So the name of Murry Nelson is written large in the histories of this metropolis which tell of benevolence, of art, of science, of music, of industrial progress and of improved social conditions.

With an aggressive temperament, he was bluff, sometimes brusque, in his intercourse with men, but beneath



a rugged exterior he carried a heart as warm as any man possessed. He made some enemies, but he also won friends, and the latter were friends for life. Those who knew him best loved him best.

He married Catherine Hubbard Thacher in 1859 and for more than fifty years his family life was ideal, so that, when nearing the close of his earthly career, he was able to say what so few men can say, that if he could live his life over again he would not change it in any particular.

Murry Nelson passed away at the home of his daughter, Mrs. Wallace Fairbank, at Cold Spring Harbor, Long Island, January 2, 1917, leaving the world better because he had lived.

HENRY J. MACFARLAND,  
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WILLIAM A. FULLER.







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